

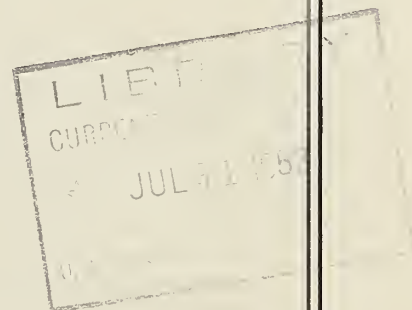
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FARM CREDIT ADMINISTRATION
UNITED STATES DEPARTMENT OF AGRICULTURE
WASHINGTON, D. C.

HANDBOOK ON
MAJOR REGIONAL FARM SUPPLY
PURCHASING COOPERATIVES
1951 AND 1952



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The Cooperative Research and Service Division conducts research studies and service activities of assistance to farmers in connection with cooperatives engaged in marketing farm products, purchasing farm supplies, and supplying business services such as credit and insurance. The work of the Division relates to problems of management, organization, policies, merchandising, costs, competition, and membership.

The Division publishes the results of studies; confers and advises with officials of farmers' cooperatives; and works with educational agencies, cooperatives, and others in the dissemination of information relating to cooperative principles and practices.



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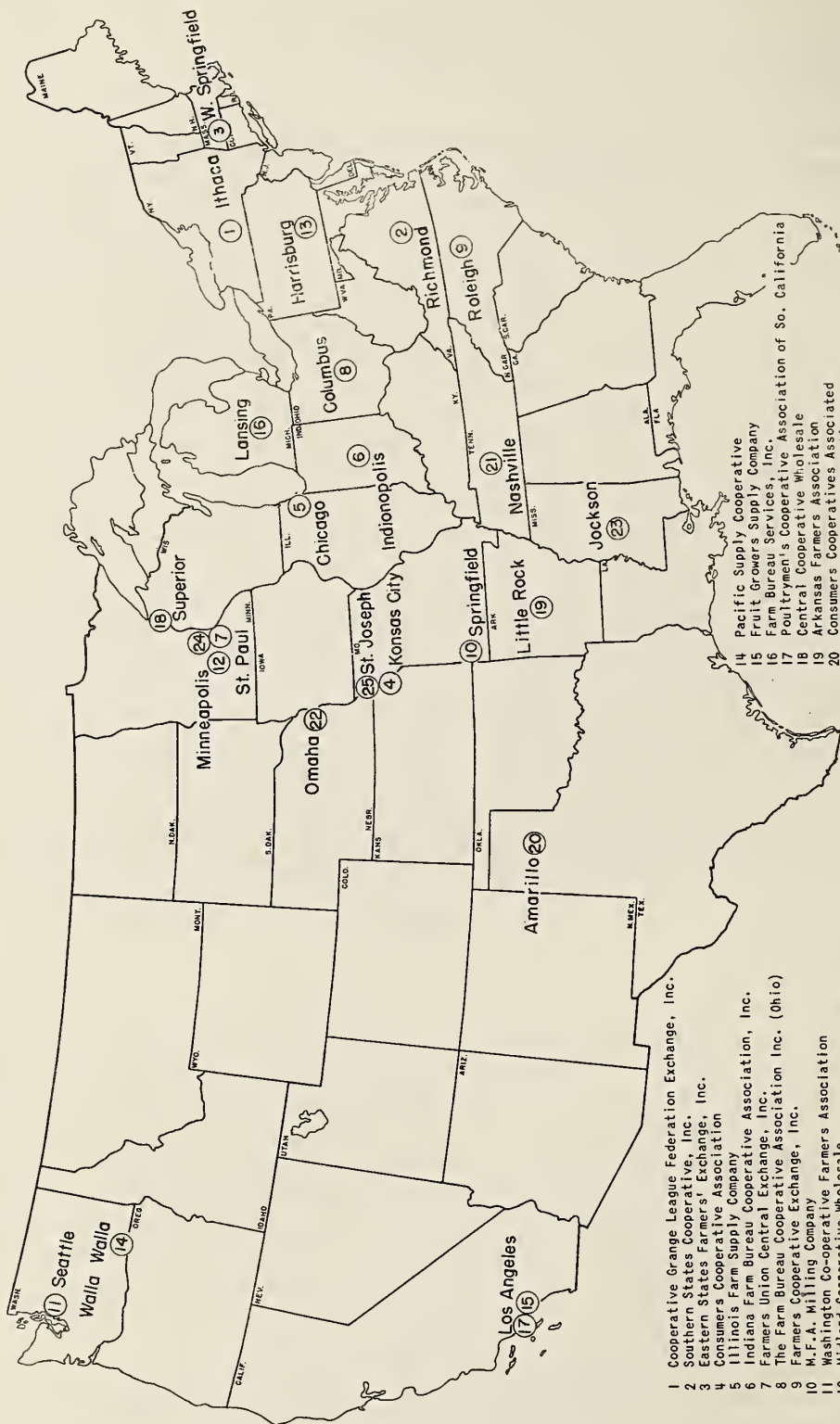
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LOCATION OF 25 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES



- 1 Cooperative Grange League Federation Exchange, Inc.
- 2 Southern States Cooperative, Inc.
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NOTE: ASSOCIATIONS ARE NUMBERED ACCORDING TO VOLUME OF RETAIL AND WHOLESALE PURCHASING BUSINESS FOR 1952

HANDBOOK ON MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES, 1951 AND 1952

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Part I of this handbook gives comparable information for each of the 25 major regional farm supply cooperatives in the United States for their fiscal years ending in 1951 and 1952. These associations, all doing more than \$5 million farm supply business in 1952 are listed according to the amount of their wholesale and retail supply business for 1952. Information for the group is summarized in Part II.

Twenty-two of the associations performed wholesale services for retail cooperative outlets of various types. Three associations distributed all supplies on a retail basis to individual patrons. Twelve of the associations engaged in a wholesale business only. Five did both wholesale and retail business. Ten associations also marketed farm products. The association reports show the main points of similarity and of difference between these organizations.

Information for a considerable number of the smaller regional farm supply purchasing cooperatives is not given. There also are many regional marketing cooperatives that perform an extensive purchasing service. The value of supplies distributed to farmers through four marketing associations doing more than \$5 million of farm supply business amounted to \$66 million in 1952 as shown in the appendix.

The farm supply business of regional cooperatives doing between \$100,000 and \$5 million of farm supply business in 1952 is reported in FCA Miscellaneous Report 171, "OPERATIONS OF REGIONAL COOPERATIVES DOING LESS THAN \$5 MILLION SUPPLY BUSINESS, 1950-1951."

PART I

ASSOCIATION REPORTS FOR 25 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1951 AND 1952

The principal items considered for each of the 25 associations include: Date of organization, area of service, types of local outlets, types and volume of supplies handled, distribution of margins, and financial condition.

Note: Appreciation is expressed to officials of the associations who provided the information used in preparing this handbook and to J. W. Mather, Cooperative Research and Service Division, for valuable assistance.

COOPERATIVE GRANGE LEAGUE FEDERATION EXCHANGE, INC.

The Cooperative Grange League Federation Exchange, Inc., known as the "G.L.F.," was organized June 28, 1920. It serves farmers in New York, New Jersey, and the northern tier of counties in Pennsylvania--roughly the territory known as the "New York Milkshed." Its administrative offices are in Ithaca, N. Y.

The G.L.F. is a centralized cooperative. Its board of directors is responsible directly to farmer-members. Membership is determined by ownership of common stock and bona fide farm operation. Any farmer-patron who owns at least one \$5 share of G.L.F. Exchange common stock qualifies as a member.

Since it performs manufacturing, processing, wholesaling, transportation, and retailing services, G.L.F. is an integrated organization. At the end of the fiscal year, June 30, 1952, G.L.F. was providing these services for about 154,000 regular farmer-patrons and 40,000 non farmers. Farmer-patrons qualifying as members numbered about 118,000.

On June 30, 1952, the G.L.F. was serving its patrons through the following types of retail outlets:

<u>Retail outlets</u>	<u>Number</u>
G.L.F. retail service stores (including 7 full branches)-----	239
G.L.F. zero food branches ¹ -----	4
G.L.F. farm store branches-----	45
G.L.F. petroleum bulk plants ² -----	76
G.L.F. agent buyers-----	307
Independent local cooperatives-----	17
Supplementary agents-----	38
Farmer agents-----	7
Total-----	733

The retail service stores are cooperative corporations managed by G.L.F. They distribute farm supplies and in some cases market farm products for patrons. All of their common stock is held by the Exchange in trust for the local patrons. Their preferred stock is owned by local farmers. Annual meetings are held at which member committees are elected. The member committee has many of the powers of a local board of directors, but its acts are subject to the approval of the Exchange as the holder of the common stock. These stores are financed centrally and are supervised through management contracts that may be canceled at any time by the service stores. G.L.F. petroleum bulk plants are organized in a similar way except that they are located so as to perform a specialized petroleum service for patrons over wider areas. Between 60 to 65 percent of G.L.F.'s wholesale volume is distributed through these service stores and petroleum cooperatives.

¹Pilot operation, now being discontinued.

²Includes 4 branches, 5 liquefied petroleum gas depots, and 1 retail filling station.

Agent-buyers are private business operators who have been granted franchises to handle G.L.F. farm supplies in accordance with association policies. The independent local cooperatives are locally controlled farmers' cooperatives handling G.L.F. farm supplies on the same basis as agent-buyers. In many cases they primarily are local marketing associations with purchasing as an additional service. Supplementary agents are merchants, or others, who handle certain G.L.F. products such as fertilizer, or seed, but not the complete line. Approximately 35 to 40 percent of G.L.F.'s wholesale volume is distributed through agent-buyers, independent local cooperatives, and supplementary agents.

These various types of retail outlets obtain supplies for redistribution under the same wholesale terms through the manufacturing plants and warehouses that G.L.F. maintains at Buffalo, Albany, and other strategically located terminal centers. They also obtain supplies from other commercial sources.

The wholesale value of supplies distributed by G.L.F. to retail outlets for the fiscal years ending June 30, 1951 and 1952, was as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed, grain, flour, and cereals-----	\$92,793,281	\$111,876,175
Fertilizer and lime (including shells, bedding, etc.)-----	13,028,544	14,673,223
Petroleum products-----	11,945,319	12,358,029
Tires, tubes, and auto supplies-----	2,372,187	1,525,943
Seed and seed potatoes ³ -----	5,675,810	6,076,820
Hardware (tools)-----	544,273	751,434
Refrigeration equipment-----	1,955,589	1,526,836
Farm equipment and parts-----	2,729,385	1,996,579
Steel and other metal products ⁴ -----	3,800,392	2,826,555
Building material, paint, roofing, cement, etc.-----	2,332,643	1,877,943
Insecticides, sprays and farm chemicals-----	2,860,958	2,540,839
Package materials-----	1,231,736	785,816
Rope and twine-----	1,686,396	2,105,075
Farm and home appliances-----	288,492	251,043
Miscellaneous ⁵ -----	627,434	775,817
 Total-----	 \$143,872,439	 \$161,948,127
Less interdivision business-----	163,614	152,397
Total-----	\$143,708,825	\$161,795,730

³Does not include Fort Wayne shipments to non-G.L.F. outlets.

⁴Includes wire and nails, metal roofing, pipe and fittings, and related items.

⁵Includes rubber and canvas, agency supplies, ladders, mowers, and other commodities.

The value of services and supplies obtained at retail by farmers through G.L.F. managed retail outlets for the years ending June 30, 1951 and 1952, was as follows:

<u>Sources of supplies or services</u>	<u>1951</u>	<u>1952</u>
G.L.F. retail service stores, farm store branches, and frozen food lockers-----	\$101,282,792	\$130,650,715
G.L.F. petroleum bulk plants-----	<u>16,600,590</u>	<u>18,433,935</u>
Total-----	\$117,883,382	\$149,084,650

During World War II, G.L.F. greatly expanded its cooperative marketing services.⁶ The principal products marketed are eggs, grain, and beans. Marketing is mainly through retail service stores, with some separate facilities maintained for eggs and beans. The following types of marketing facilities were maintained by G.L.F. on June 30, 1952:

<u>Marketing facilities</u>	<u>Number</u>
Grain elevator-----	1
Bean plants-----	3
Flour and cereal plants ⁷ -----	(2)
Terminal egg sales agencies-----	5
Country egg stations-----	11
Terminal sales agency for beans, wheat, and other grains-----	1
Cold storage plant-----	1
Transportation service unit-----	1

The value of farm products marketed by G.L.F. for the years ending June 30, 1951 and 1952, follows:⁸

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Eggs-----	\$9,467,709	\$10,671,100
Fruits and vegetables (including canned goods-----	262,638	751,262
Grain-----	6,552,745	7,524,762
Beans-----	2,193,999	3,019,911
Hay and straw-----	434,643	406,483
Miscellaneous and unclassified ⁹ -----	<u>102,422</u>	<u>101,809</u>
Total-----	\$19,014,156	\$22,475,327

⁶There are four local marketing cooperatives. All of their common stock is held by the G.L.F. Exchange in trust for the local patrons. Their preferred stock, where issued, is owned by local farmers.

⁷Now considered as a purchasing operation.

⁸Includes marketing by service stores.

⁹Includes poultry and seed.

In addition, in 1951 these marketing units purchased egg cases, seed beans, seed and plants, containers, fertilizer and sprays, and performed storage and other services valued at \$987,372. In 1952 the value of these items was \$1,022,682.

Net margins, before income taxes, of G.L.F. for the years ending June 30, 1951 and 1952, were derived as follows:

<u>Sources of net margins</u>	<u>1951</u>	<u>1952</u>
Manufacturing and wholesale purchasing and marketing-----	\$5,120,589	\$4,387,463
G.L.F. retail service stores-----	3,528,667	3,151,351
G.L.F. retail petroleum distribution operations-----	340,415	166,155
Other operations (local marketing cooperatives, etc.)-----	25,836	20,879
Total-----	\$9,015,507	\$7,725,848

The provision for Federal income taxes in 1951 was \$1,758,192 and in 1952, \$1,651,892.

The remaining net margins were distributed in the following manner:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$1,309,696	\$1,624,240
Patronage refunds in cash-----	2,635,328	2,435,466
Additions to capital reserves-----	3,312,291	2,014,250
Total-----	\$7,257,315	\$6,073,956

All patronage refunds paid in certificates in prior years have been retired and the association has no revolving plan of financing currently in use.

The financial condition of the Cooperative G.L.F. Exchange, Inc., including its wholesale divisions, financing and credit subsidiaries, retail service stores and petroleum cooperatives, and marketing associations as of June 30, 1951 and 1952, is shown in the following condensed consolidated balance sheet:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$42,562,510	\$41,289,853
Fixed assets (net)-----	21,077,171	24,736,374
Other assets (investments, etc.)-----	10,334,736	10,252,989
Total-----	\$73,974,417	\$76,279,216
Liabilities and patrons' equities:		
Current liabilities-----	\$19,971,269	\$12,070,183
Other liabilities-----	5,430,169	7,750,000
Capital stock and patrons' equities-----	48,572,979	56,459,033
Total-----	\$73,974,417	\$76,279,216

The following tabulation shows the number and value of the principal facilities owned and operated by G.L.F. and its affiliated service stores, and petroleum and marketing cooperatives on June 30, 1952:

<u>Facilities</u>	<u>Number of plants or units¹⁰</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mills-----	3	\$8,105,277	\$6,017,650
Fertilizer and insecticide plants---	13	2,935,928	2,240,116
Seed cleaning plants-----	8	1,051,264	687,446
Wholesale farm supply warehouses---	8	692,396	603,117
Petroleum bulk storage terminals---	6	1,124,884	1,016,679
Retail farm supply stores-----	284	12,174,604	8,931,132
Bulk petroleum plants-----	76	1,978,719	972,337
Marketing warehouse, storage, and processing plants-----	25	942,808	751,427
Office building-----	1 (group)	695,747	468,873
Freezer-locker plants-----	5	328,336	165,678
Flour and cereal mill, local feed mill, and elevators-----	3	431,383	347,775
Other facilities-----	8	169,802	123,822
Total-----		\$30,631,148	\$22,326,052

In addition to these facilities, G.L.F. had \$5,955,120 invested in federations of regionals owned jointly with other cooperatives, which operated various manufacturing and wholesaling facilities.

On June 30, 1952, G.L.F. had 4,353 employees. Of these, 280 were engaged in general administrative activities; 1,382 in manufacturing and processing operations; 2,483 in retail distribution; and 208 in marketing farm products. These figures do not include retail employees of independent cooperatives or agent-buyers and their employees who may spend most of their time in distributing G.L.F. farm supplies. The figures for the three operating groups include administrative, accounting, and clerical employees.

SOUTHERN STATES COOPERATIVE, INC.

The Southern States Cooperative, Inc., Richmond, Va., was organized on July 21, 1923, as the Virginia Seed Service. It was reorganized in 1933 under its present name. At the end of its operating year on June 30, 1952, it was furnishing supplies through local cooperatives, service agencies, and farmer agents to approximately 272,336 members in Virginia, West Virginia, Kentucky, Maryland, Delaware, and Tennessee. The number of nonfarmers served was estimated at 15,000. Substantially all its patrons were farmers and 80 percent were members. A farmer-patron becomes a member by acquiring ownership of one or more shares of \$1 par value voting stock issued in payment of patronage refunds.

¹⁰Including leased facilities with owned equipment.

On June 30, 1952, the Southern States Cooperative was serving its patrons through the following types of retail outlets:

<u>Retail outlets</u>	<u>Number</u>
Local affiliated cooperatives:	
Farm supply stores with management contracts-----	120
Farm supply stores without management contracts-----	55
Petroleum service plants with management contracts-----	25
Locker plants with management contracts-----	4
Service agencies (privately owned)-----	501
Farmer agents (fertilizer only)-----	<u>18</u>
 Total-----	 723

Local affiliated cooperatives with management contracts are separately incorporated associations whose boards of directors have employed Southern States, through the medium of a management contract, to perform certain management, accounting, auditing, and financial services on a fee basis. Approximately 44 percent of Southern States' wholesale volume is distributed through these cooperatives. Those without management contracts are independent cooperatives which use the association as a wholesale source of supply.

Service agencies are private retail farm supply dealers who have been awarded the Southern States franchise by the local membership. Under the terms of this franchise, dealers handle the supplies under agreed-upon conditions. The farmer-agents are individual farmers who pool fertilizer orders and handle distribution to neighbors in communities where such service is not otherwise available. Approximately 56 percent of the association's wholesale volume is distributed through these agencies and through the 55 farm supply stores without management contracts.

Feed and fertilizer manufacturing operations of Southern States Cooperative and conducted by several subsidiary cooperatives. Those subsidiary manufacturing cooperatives are jointly owned by a number of wholesale farm purchasing cooperatives that use them as a source of a portion or all of their feed and fertilizer requirements. In addition to Southern States Cooperative, these cooperatives are the Farmers Cooperative Exchange, Raleigh, N. C.; Pennsylvania Farm Bureau Cooperative Association, Harrisburg, Pa.; Farm Bureau Cooperative Association, Columbus, Ohio; and Cotton Producers Association, Atlanta, Ga. Ownership is in proportion to use or patronage and is annually adjusted to maintain ownership on that basis. Each of the participating cooperatives pays its exact share of operating expenses and therefore obtains manufacturing service at cost.

The value of supplies distributed at wholesale, together with the value of supplies manufactured for the account of affiliated regional cooperatives, for the fiscal years ending June 30, 1951 and 1952, was as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$52,402,598	\$57,464,048
Fertilizer-----	9,171,930	9,863,901
Seed-----	5,849,059	6,773,838
Petroleum products and equipment-----	5,425,651	6,519,336
Auto accessories-----	1,054,506	896,717
Farm equipment and tools-----	2,250,434	1,347,304
Hardware and steel products-----	3,995,390	4,235,408
Paint and asphalt-----	746,695	635,382
Insecticides, sprays, and chemicals-----	1,264,857	1,331,707
Electrical equipment and appliances-----	1,599,201	1,362,829
Miscellaneous-----	<u>45,536</u>	<u>47,568</u>
 Total-----	 \$83,805,857	 \$90,478,038

Supplies manufactured for the account of other regional cooperatives totaled \$16,425,451 in 1951 and \$16,639,885 in 1952.

The value of supplies distributed at retail outlets managed by Southern States Cooperative amounted to \$38,052,082 in 1951 and \$43,703,515 in 1952.

In recent years Southern States Cooperative has established marketing services for several farm products produced by members. On June 30, 1952, the association operated four terminal egg sales agencies and a terminal grain marketing service.

The value of farm products marketed through Southern States Cooperative follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Eggs-----	\$2,315,086	\$2,257,809
Grain-----	<u>4,013,619</u>	<u>5,493,031</u>
 Total-----	 \$6,328,705	 \$7,750,840

Total net margins of Southern States Cooperative for years ending June 30, 1951 and 1952, were derived as follows:

<u>Sources of net margins</u>	<u>1951</u>	<u>1952</u>
Manufacturing and wholesale purchasing-----	\$4,087,817	\$2,914,415
Retail farm supply stores-----	1,130,983	1,344,140
Retail petroleum distribution-----	120,879	168,713
Marketing-----	48,470	Loss 19,719
Other operations-----	495,049	670,233
Less: Intercompany dividends-----	551,603	864,006
Total-----	\$5,331,595	\$4,213,776

These net margins were distributed as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$839,918	\$932,092
Patronage refunds in cash-----	1,030,607	738,294
Patronage refunds paid in capital stock-----	1,354,385	948,033
Capital reserves, adjustments, etc.-----	2,106,685	1,595,357
Total-----	\$5,331,595	\$4,213,776

For the year ending June 30, 1951, the association retired voting stock amounting to \$28,976, issued originally in the payment of patronage refunds. For the year ending June 30, 1952, the redemptions totaled \$47,000. For many years the policy has been to call and retire at par value the voting stock issued 10 years previous.

The financial condition of Southern States Cooperative, Inc., its wholly owned subsidiaries and partly owned manufacturing subsidiaries, and its affiliated local retail cooperatives, on June 30, 1951 and 1952, is shown in the following consolidated financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$19,433,904	\$21,749,746
Fixed assets (net)-----	12,109,825	12,408,696
Other assets-----	6,442,116	7,328,583
Total-----	\$37,985,845	\$41,487,025
Liabilities and net worth:		
Current liabilities-----	\$4,207,174	\$2,865,402
Deferred liabilities-----	7,108,673	8,557,601
Net worth or members' or patrons' equities--	26,669,998	30,064,022
Total-----	\$37,985,845	\$41,487,025

The following is a tabulation of the number and value of facilities owned and operated by the Southern States Cooperative, Inc., its subsidiaries and affiliated local cooperatives on June 30, 1952:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Headquarters building-----	1	\$2,145,939	\$1,889,796
Poultry and egg marketing outlets---	4	206,074	149,534
Frozen-food locker plants-----	6	353,221	267,394
Feed mills-----	4	3,506,719	2,573,955
Fertilizer plants-----	4	1,495,423	1,112,069
Seed cleaning plants and wholesale farm supply warehouses-----	10	2,600,659	1,966,939
Southern States Cooperative retail service stores-----	121	3,128,947	2,539,921
Bulk petroleum plants-----	25	1,013,562	759,311
Oil delivery trucks-----	85	405,624	186,889
Transport trucks-----	23	127,983	74,737
General delivery trucks-----	216	490,368	239,441
Research and analysis laboratory----	1	14,031	3,020
Grain marketing facility-----	1	194,806	148,395
Other facilities-----		731,051	497,295
Total-----		\$16,414,407	\$12,408,696

In addition to these facilities, Southern States Cooperative had \$318,700 invested in jointly owned federations of regionals which operated various manufacturing and wholesaling facilities.

On June 30, 1952, Southern States Cooperative had 2,052 employees. Of these 599 were engaged in general administrative activities; 607 in manufacturing and processing operations; 209 in wholesale distribution; 592 in retail distribution; and 45 in marketing farm products.

EASTERN STATES FARMERS' EXCHANGE, INC.

The Eastern States Farmers' Exchange, Inc., with headquarters in West Springfield, Mass., was organized on January 28, 1918. In 1952 it was serving 152,065 farmer patrons in the six New England States, Pennsylvania, (except for the northern tier counties), Delaware, and Maryland.

Membership in Eastern States is determined by patronage. The association has no capital stock or membership fees. Every farmer who purchases through the association becomes a member and remains a member for the calendar year following the date of his last purchase. Only 2.9 percent of the 1951 volume of business was with nonmember patrons.

Patrons are served by 437 farmer-representatives, 17 independent cooperatives that also serve as representatives, and 79 regional branch warehouses strategically located to supplement local car-door distribution.

Eastern States is an integrated farmers' nonprofit cooperative agency for procuring production supplies for its members. It processes a large proportion of the items it handles.

The value of supplies distributed to patrons for the fiscal years ending December 31, 1951 and 1952, was as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed and grain-----	\$81,370,044	\$81,936,399
Field seeds-----	2,722,482	2,822,136
Seed potatoes-----	582,744	1,267,918
Vegetable seeds-----	324,477	366,417
Fertilizer and lime-----	5,510,458	6,648,557
Spray materials-----	1,232,817	1,451,522
Miscellaneous (roofing, paints, lubricants, and similar products-----	3,254,342	3,584,463
Total-----	\$94,997,364	\$98,077,412

Savings of patrons on purchases made through Eastern States were divided as follows:

<u>Distribution of net margins</u>	<u>¹¹1951</u>	<u>1952</u>
Patronage refunds in cash-----	\$2,390,875	\$1,073,350
Amount allocated to patrons and retained-----	2,921,919	1,885,613
Total-----	\$5,312,794	\$2,958,963

The financial statements for Eastern States Farmers' Exchange, December 31, 1951 and 1952, were as follows:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$16,210,128	\$15,998,855
Fixed assets (net)-----	20,040,477	21,336,927
Other assets-----	1,201,371	1,325,524
Total-----	\$37,451,976	\$38,661,306
Liabilities and net worth:		
Current liabilities and reserves-----	\$4,134,049	\$4,803,078
Fixed indebtedness-----	12,000,000	10,800,000
Net worth (patrons' equities)-----	21,317,927	23,058,228
Total-----	\$37,451,976	\$38,661,306

¹¹Revised.

All net worth, or patrons' equities in this nonstock farmers' cooperative has been accumulated through retained savings. In other words, each patron has contributed to the structure in proportion to the use he has made of the services provided.

On December 31, 1952, Eastern States had 1,586 employees. Of these 455 were engaged in general administrative activities; 834 in manufacturing and processing operations; and 297 in distributing through its warehouses.

CONSUMERS COOPERATIVE ASSOCIATION

Consumers Cooperative Association (CCA), with headquarters in Kansas City, Mo., was organized in 1929. As of August 31, 1952, CCA was serving 1,656 local and regional member associations. Local member cooperatives are located in Colorado, Iowa, Kansas, Missouri, Nebraska, North and South Dakota, Oklahoma, Utah, and Wyoming. These associations, in turn, serve approximately 456,000 patrons, of whom about 98 percent are farmers. CCA also serves 88 nonmember cooperatives.

Crude oil production, pipeline transportation, and refinery operations are carried on by a wholly-owned subsidiary, The Cooperative Refinery Association. CCA's and CRA's production and manufacturing operations provide practically all of the refined fuels, lube oil and grease, and most of the feed, fertilizer, lumber, and paint supplied patrons.

The Cooperative Farm Chemicals Association (CFCA) was incorporated on October 5, 1951, as a wholly-owned subsidiary of CCA for the purpose of building and operating an agricultural nitrogen fixation plant with a rated annual output of 110,000 tons of nitrogenous fertilizers. The entire production of the plant will be distributed to farmers through the facilities of CCA, or used for mixing in CCA's presently operated fertilizer plants. The construction of this \$15,000,000 nitrogen plant at Lawrence, Kans., is now in process and it is expected that the plant will be fully completed and in operation about September 1, 1954.

A summary of merchandise furnished by CCA and its consolidated subsidiary, CRA, follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Petroleum products-----	\$51,454,719	\$57,129,838
Feed-----	7,037,466	8,987,425
Fertilizer-----	3,411,696	3,867,374
Lumber, paint, and building supplies-----	4,346,179	3,670,651
Farm machinery and equipment and twine-----	3,103,275	3,234,441
Tires, tubes and auto accessories-----	2,143,919	2,206,540
Insecticides-----	709,643	547,215
Home and farm appliances-----	678,868	568,426
Groceries, drugs, and sundries-----	1,757,807	1,930,141
Miscellaneous-----	242,583	299,563
Total-----	\$74,886,155	\$82,441,614

Total consolidated net margins, before income taxes, of CCA and its three wholly-owned subsidiaries totaled \$6,768,453 in 1951 and \$2,849,742 in 1952 and were derived as follows:

<u>Sources of net margins</u>	<u>1951</u>	<u>1952</u>
CCA-CRA-----	\$6,746,723	\$2,836,727
Consumers Insurance Agency-----	20,284	11,483
Cooperative Finance Association, Inc.-----	1,446	1,532
Total-----	\$6,768,453	\$2,849,742

The provision for Federal and State income taxes in 1951 was \$706,060 and in 1952 was \$200,048.

The remaining net margins were distributed in the following manner:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$60,605	\$29,058
Patronage refunds in cash-----	139,582	73,846
Patronage refunds to revolving funds-----	2,264,829	1,185,409
Patronage refunds to common stock-----	2,003,392	1,608
Earned surplus-----	1,593,985	1,359,373
Total-----	\$6,062,393	\$2,649,294

Certificates in the amount of \$1,077,067 originally issued in payment of the 1945 deferred patronage refunds were retired during 1951 under the revolving plan. Redemptions covering 1946 deferred refunds totaled \$1,167,395 in 1952.

The consolidated balance sheets of the Consumers Cooperative Association and its subsidiaries for the years ending August 31, 1951 and 1952, were as follows:

	<u>¹²1951</u>	<u>¹³1952</u>
Assets:		
Current assets-----	\$21,976,020	\$22,908,186
Fixed assets (net)-----	23,450,944	25,168,076
Other assets-----	6,840,399	7,239,626
Total-----	\$52,267,363	\$55,315,888
Liabilities and net worth:		
Current liabilities-----	\$14,914,565	\$16,283,519
Other liabilities-----	14,442,305	14,989,844
Net worth-----	22,910,493	24,042,525
Total-----	\$52,267,363	\$55,315,888

¹²Includes CCA and CRA.

¹³Includes CCA, CRA and CFCA.

The principal facilities owned and operated by CCA and CRA on August 31, 1952, were as follows:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Petroleum refineries-----	4	\$10,462,198	\$7,198,153
Crude oil production:			
Facility (equipment)-----		7,124,239	5,178,645
Oil reserve (leaseholds)-----		10,647,270	4,115,363
Pipelines (miles)-----	979	3,883,126	3,171,650
Distribution and transportation:			
Warehouses and terminals ¹⁴ -----	12	680,392	524,790
Highway transports ¹⁵ -----	93	844,499	365,191
Manufacturing:			
Facilities ¹⁶ -----	14	4,833,635	3,606,043
Timber-----		1,144,833	613,205
Administrative building and equipment-----		603,313	355,022
Non-operating buildings and equipment-----		58,160	40,014
Total-----		\$40,281,665	\$25,168,076

In addition to these facilities, CCA and CRA has \$4,853,422 invested in federations of regional cooperatives owned jointly with other associations which operated various manufacturing and wholesaling facilities.

The Consumers Cooperative Association and its subsidiary corporations had 2,336 employees on August 31, 1952 -- 739 engaged in general administrative activities; 930 in oil production and refining; 373 in manufacturing plants (other than refining); and 294 in wholesale distributing including transportation terminals and warehouses.

ILLINOIS FARM SUPPLY COMPANY

The Illinois Farm Supply Company, with headquarters in Chicago, was organized in 1927. At the end of its operating year on August 31, 1952, it was providing a manufacturing and wholesale farm supply service for member associations throughout Illinois. They consisted of 82 cooperative petroleum, fuel, and fertilizer service companies that operate over

¹⁴Includes some machinery, equipment, furniture, and fixtures for leased facilities.

¹⁵Includes 51 petroleum transports, 30 merchandise units, and 12 service units.

¹⁶Includes three fertilizer plants, two feed plants, and one plant each of the following: paint, printing, lumber mill, vegetable cannery, bottling plant, alfalfa dehydration, soybean mill, animal protein, and grease.

county-wide areas and 88 farmers' cooperatives of various types. These member associations, in turn, served about 135,000 patrons, of whom 97 percent were farmers. Member associations must be organized under the Agricultural Cooperative Act of Illinois and must be engaged wholly or partly in distributing farm supplies cooperatively.

The value of supplies distributed at wholesale by the Illinois Farm Supply Company during the fiscal years ending August 31, 1951 and 1952, were as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$12,699,400	\$13,904,914
Fertilizer-----	6,318,874	8,677,252
Petroleum products----- ¹⁷	30,151,137	30,531,140
Tires, tubes, and accessories-----	1,040,719	752,978
Farm equipment-----	569,558	525,978
Steel products-----	840,783	736,477
Lumber, paint, and other maintenance equipment	858,913	515,156
Insecticides-----	309,022	370,634
Twine-----	132,103	387,972
Anti-freeze and office supplies-----	295,481	363,982
Total-----	\$53,215,990	\$56,766,483

Total net margins, before income taxes, from all manufacturing, wholesaling, and transportation operations and their distribution amounted to \$2,972,265 in 1951 and \$2,921,491 in 1952.

In 1951, provisions for income taxes amounted to \$424,000 and in 1952 \$435,000.

The distribution of remaining net margins was as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock ¹⁸ -----	\$346,212	\$214,319
Patronage refunds in cash-----	1,801,953	1,831,772
Patronage refunds in capital stock-----	300,100	200,400
Additions to capital reserves-----	100,000	240,000
Total-----	\$2,548,265	\$2,486,491

¹⁷Revised.

¹⁸Stock dividends at 3 percent for classes A, B, C, D and E as per shareholders meeting June 1952 amending articles and bylaws to 3 percent on all classes of stock. Previous dividends 7 - 6 - 5 - 2 percent on A, B, C, D and E.

The financial condition of the Illinois Farm Supply Company on August 31, 1951 and 1952, was as follows:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$8,330,769	\$8,286,987
Fixed assets (net)-----	4,533,606	4,873,271
Other assets ¹⁹ -----	3,246,846	3,299,440
Total-----	\$16,111,221	\$16,459,698
Liabilities and net worth:		
Current liabilities-----	\$4,748,336	\$4,977,522
Other liabilities-----	1,744,510	1,245,000
Net worth or members and patrons equities---	9,618,375	10,237,176
Total-----	\$16,111,221	\$16,459,698

On August 31, 1952, 70 percent of the net worth had been accumulated through the sale of stock, while 30 percent represented retained savings.

The Illinois Farm Supply Company has one wholly-owned subsidiary - the Loudon Pipeline Company - which operates crude oil pipelines and a small amount of production properties. Only the investment which the Illinois Farm Supply Company has as capital stock in this subsidiary is included in its balance sheet.

The type and value of the principal operating facilities owned by the Illinois Farm Supply Company and its wholly-owned subsidiary as of August 31, 1952, were as follows:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mills-----	2	\$1,325,661	\$1,103,233
Marine terminal bulk petroleum plants	2	629,076	485,847
Transport trucks-----	38	409,801	199,569
Barges and towboats-----	7	1,071,296	886,609
Tire recapping plant-----	1	7,759	-
Plant food plant-----	1	1,685,217	1,418,488
Petroleum refinery-----	1	1,070,379	620,943
Other facilities-----	-	113,854	68,610
Sub-total-----		\$6,313,043	\$4,783,299

Properties owned by its subsidiary, Loudon Pipeline Co., included in "other assets" were as follows:

Pipeline-----	\$483,921	\$239,201
Crude oil properties-----	29,831	10,542
Sub-total-----	\$513,752	\$249,743
Total-----	\$6,826,795	\$5,033,042

¹⁹Other assets include investments in a wholly-owned pipeline subsidiary and in 5 refineries jointly owned as well as other small investments.

In addition to these facilities, Illinois Farm Supply Company had \$2,517,658 invested in jointly owned federations of regional cooperatives and allied companies which operated various refining, producing, manufacturing, and wholesaling facilities.

The Illinois Farm Supply Company and its subsidiary had 608 employees on August 31, 1952 - 248 engaged in general administration; 275 in manufacturing, and processing operations; and 85 in wholesale distribution including transportation and warehousing.

INDIANA FARM BUREAU COOPERATIVE ASSOCIATION, INC.

The Indiana Farm Bureau Cooperative Association, Inc., with headquarters in Indianapolis, Ind., was organized in its present form in February 1927. At the end of its operating year, December 31, 1952, it was serving 85 county farm bureau cooperatives in Indiana²⁰ and 1 in Kentucky. These 86 associations distribute supplies to approximately 160,000 patrons, about 90 percent of whom are farmers.

It distributed supplies at wholesale during 1951 and 1952 as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$9,411,505	\$10,084,209
Seed-----	1,484,402	1,595,795
Fertilizer-----	6,524,824	7,999,100
Gas, oil, and grease-----	19,595,157	18,498,086
Tires, tubes, and other accessories-----	292,171	263,572
Farm machinery and parts-----	3,370,309	2,433,269
Farm equipment-----	372,270	364,691
Steel products-----	2,195,685	2,260,517
Lumber, paint, and other maintenance equipment-----	2,658,871	2,511,155
Insecticides-----	467,601	522,806
Electrical equipment and appliances-----	844,052	865,604
Twine-----	115,239	193,527
Coal-----	823,804	631,531
Chicks, eggs, and turkey poults-----	339,668	344,725
Hog serum and virus-----	273,115	146,492
Miscellaneous-----	710,934	602,739
Total-----	\$49,479,607	\$49,317,818

The association has moved steadily into the field of marketing in recent years. Its first venture was in March 1947 when it started the Poultry and Egg Department. In October 1947 the Indiana Wool Growers merged with the association and in October 1949 the directors of the Indiana Grain Cooperative voted to merge with the association. On January 1, 1952, the Indiana Grain Marketing Division of the association was serving 140 locally owned cooperative elevators in the State.²¹

²⁰Many of these county cooperatives also market grain, wool, poultry, eggs, and other products.

²¹While grain accounted for approximately 64 percent of total business during 1952, it seemed advisable to continue to include this association in part I of this handbook because of (1) the desirability of maintaining continuity of information on major supply operations in the country, and (2) the fact that by far the larger proportion of the association's facilities, capital, net savings, and personnel were accounted for by the supply business.

The sales value of farm products marketed by the association during 1951 and 1952 was as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Grain-----	\$67,377,026	\$82,967,225
Poultry-----	2,519,539	357,067
Eggs-----	2,255,499	1,750,895
Wool-----	-	824,227

Total-----	\$72,152,064	\$85,899,414
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In 1951 the Wool Department handled 1,212,735 pounds or approximately 60 percent of the production in the State. In 1952 the volume handled was 1,479,666 pounds or approximately 70 percent of the production in the State. In 1952 wool handled was considered as a sale, whereas, in previous years it was handled on a commission basis.

In its fiscal year ending December 31, 1951, the Grain Division marketed 29,875,000 bushels of grain for \$67,377,026. In its fiscal year ending December 31, 1952, the Grain Division marketed 38,544,000 bushels of grain for \$82,967,225.

This cooperative distributed its net margins from purchasing and marketing operations for the last 2 years as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash patronage refunds-----	\$464,439	\$630,290
Cash dividends on stock-----	166,661	203,245
Patronage refunds in stock-----	2,631,826	1,890,869
Total-----	\$3,262,926	\$2,724,404

The association has retired all common stock issued through 1944 and 50% of the 1945 issue.

The financial condition of the Indiana Farm Bureau Cooperative Association, Inc., on December 31, 1951 and 1952, is shown in the following condensed financial statement.

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$23,311,173	\$24,508,842
Fixed assets (net)-----	10,092,732	12,061,791
Other assets ²² -----	5,611,441	4,681,384
Total-----	\$39,015,346	\$41,252,017
Liabilities and net worth:		
Current liabilities-----	\$7,646,773	\$7,611,666
Other liabilities-----	3,899,843	3,532,800
Net worth (capital and reserves)-----	27,468,730	30,107,551
Total-----	\$39,015,346	\$41,252,017

²²Other assets include capital stock of wholly-owned oil and lumber companies, and stock in affiliates.

On December 31, 1952, the association reported that 75 percent of its net worth represented retained savings. The remaining 25 percent has been accumulated through the sale of stock.

At the close of 1952, the principal wholesale purchasing, manufacturing, and marketing facilities operated included:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Fertilizer plant-----	2	\$1,869,415	\$1,245,166
Seed cleaning plant-----	1	78,189	40,370
Wholesale farm supply warehouse----	1	483,058	408,711
Petroleum refinery (including pipeline)-----	1	6,863,932	5,348,620
Transport trucks-----	38	353,204	139,831
General delivery trucks-----	26	52,265	23,353
Barges-----	5	154,567	129,082
General office building-----	1	315,581	281,240
Oil well equipment-----	-	2,022,196	964,810
Grain elevator-----	4	3,264,060	2,554,751
Serum plant-----	1	148,912	156,124
Transfer yard-----	1	40,259	39,149
Insecticide plant-----	1	189,686	177,387
Hatchery equipment-----	-	336,680	103,175
Poultry and egg plant-----	3	410,959	312,990
Other facilities-----	-	426,608	137,032
Sub-total-----		\$17,009,571	\$12,061,791
Crude property-intangible cost-----		5,160,350	2,209,873
Property of subsidiary (Farm Bureau Oil) Crude oil pipeline and equipment-----		1,300,336	734,073
Total-----		\$23,470,257	\$15,005,737

On December 31, 1952, the corporation had approximately a \$6 million expansion program in progress in Indiana consisting of a pipeline from Mount Vernon to Peru and a fertilizer mixing plant at Columbia City. About \$2,100,000 of this is included in the above figures.

In addition, investments of \$1,796,942 in facilities were owned jointly with other cooperatives.

On December 31, 1952, the Indiana Farm Bureau Cooperative Association had 966 employees. Of these, 215 were engaged in general administrative activities; 340 in manufacturing and processing operations; 6 in retail distribution; 205 in wholesale distribution; and 200 in marketing farm products.

FARMERS UNION CENTRAL EXCHANGE, INC.

The Farmers Union Central Exchange, Inc., with headquarters at St. Paul, Minn., was organized in 1931. At the end of December 1952, it was serving 392 active member associations with approximately 200,000 patrons, 90 percent of whom were farmers. It also was serving 500 nonmember associations with 150,000 patrons, 80 percent of whom were farmers. The Exchange operates in North Dakota, South Dakota, Montana, Minnesota, Wisconsin, Idaho, and Wyoming.

It distributed supplies at wholesale during 1951 and 1952 as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$2,401,834	\$2,776,584
Seed-----	619,124	568,825
Fertilizer-----	1,198,296	1,406,327
Petroleum products-----	27,866,183	29,086,732
Tires, tubes, and other accessories-----	3,128,870	3,015,295
Farm machinery-----	3,841,674	4,116,573
Milking machines-----	100,564	141,783
Paint-----	236,535	243,270
Hardware and building material-----	1,953,319	1,859,537
Electrical equipment and appliances-----	600,828	456,440
Twine-----	471,999	553,616
Agricultural chemicals-----	359,770	370,626
Miscellaneous-----	147,162	150,523
L.P. gas equipment-----	473,070	460,847
Oil equipment-----	522,121	501,072
Total-----	\$43,921,349	\$45,708,050

The Exchange derived its net margins for the last 2 years as follows:

<u>Source of net margins</u>	<u>1951</u>	<u>1952</u>
Manufacturing and wholesale purchasing operations-----	\$3,766,755	\$2,681,972
Net savings in form of stock and stock credits from other cooperatives-----	837,146	979,454
Total-----	\$4,603,901	\$3,661,426

It distributed these net margins as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$3,594	\$3,282
Educational fund-----	217,926	172,457
Patronage refunds in capital stock-----	3,691,796	2,972,026
Amount retained in capital reserves-----	460,390	330,590
Employees' savings-sharing fund-----	230,195	183,071
Total-----	\$4,603,901	\$3,661,426

All capital stock originally issued in payment of patronage refunds has been retired through the year 1943. None was retired in 1952.

A condensed financial statement of the Farmers Union Central Exchange, Inc., December 31, 1951 and 1952, follows:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$11,680,588	\$12,552,866
Fixed assets (net)-----	5,128,499	7,652,715
Other assets-----	603,052	728,729
Investments-----	<u>8,877,933</u>	<u>9,631,459</u>
Total-----	\$26,290,072	\$30,565,769
Liabilities and net worth:		
Current liabilities-----	\$4,139,143	\$5,457,425
Non-current liabilities-----	-	-
Net worth (capital and reserves)-----	<u>22,150,929</u>	<u>25,108,344</u>
Total-----	\$26,290,072	\$30,565,769

Facilities owned and operated by the association at the close of 1952 included:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse-----	10	\$376,121	\$269,251
Oil blending plant and main buildings and equipment-----	1	1,457,854	1,138,330
Auto and truck-----		158,986	120,526
Furniture and fixtures-----		362,756	208,842
Refinery property-----	1	7,040,389	5,478,524
Bottled gas plant and equipment-----	16	<u>555,303</u>	<u>437,242</u>
Total-----		\$9,951,409	\$7,652,715

In addition to these facilities, the Exchange had \$9,631,459 invested in federations jointly owned by regional cooperatives which operated manufacturing and wholesaling operations.

On December 31, 1952, the Farmers Union Central Exchange had 575 employees. Of these, 261 were engaged in general and administrative activities; 190 in manufacturing and processing operations; and 124 in wholesale distribution.

THE FARM BUREAU COOPERATIVE ASSOCIATION, INC. (OHIO)

The Farm Bureau Cooperative Association, Inc., with headquarters at Columbus, Ohio, was organized in its present form on July 31, 1933. At the end of its operating year, December 31, 1952, it was serving 88

member associations with approximately 250 distributing points in Ohio. These cooperative outlets served 195,000 patrons, of whom 85 percent were farmers.

This cooperative distributed²³ supplies at wholesale during 1951 and 1952 as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$14,317,257	\$15,155,073
Fertilizer-----	5,017,802	5,986,318
Seed and seed potatoes-----	1,885,234	2,311,545
Gas, oil, and grease-----	11,414,890	13,315,004
Tires, tubes, and other accessories-----	251,476	188,076
Farm machinery-----	2,282,632	2,425,033
Farm equipment-----	287,084	350,493
Steel products-----	1,200,331	1,000,293
Lumber, paint, and other maintenance equipment-----	1,069,935	906,080
Insecticides-----	391,086	321,260
Electrical equipment and appliances-----	213,473	240,731
Coal-----	266,685	82,023
Miscellaneous-----	966,650	638,822
Total-----	²⁴ \$39,564,535	²⁵ \$42,920,751

The value of grain marketed through The Farm Bureau Cooperative Association, Inc., was \$19,830,272 in 1951 and \$22,747,713 in 1952.

The association had total net margins for 1951 of \$1,331,566 of which it derived \$100,945 from marketing and \$1,230,621 from purchasing. Savings for 1952 before taxes totaled \$1,205,205 of which it derived \$307,807 from marketing and \$897,398 from purchasing.

The cooperative distributed net margins, after income taxes, as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$341,519	\$268,665
Cash patronage refunds-----	5,578	177,115
Patronage refunds in securities-----	585,000	678,400
Amount retained in capital reserves-----	399,469	60,260
Total-----	\$1,331,566	\$1,184,440

Stock certificates amounting to \$377,078, originally issued in payment of patronage refunds, were retired during 1951 under a revolving capital plan. The amount retired in 1952 was \$253,050.

²³Home appliances and other consumer goods were handled by the Cooperative Wholesale Association, Columbus, Ohio. This was a separate organization managed and financed by the Farm Bureau Cooperative Association. Seventy-eight of its 79 members were county farm bureau cooperatives. Its sales totaled \$1,015,302 in 1951, and \$1,022,102 in 1952. Net savings after taxes were \$40,019 in 1951, and \$12,296 in 1952. As of December 31, 1952, this company was merged with Farm Bureau Cooperative Association, Inc.

²⁴Includes \$8,833 interdivision transactions.

²⁵Includes \$187,224 interdivision transactions.

The financial condition of The Farm Bureau Cooperative Association, Inc., as of December 31, 1951 and 1952, is shown in the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$12,306,256	\$12,188,565
Fixed assets (net)-----	3,616,366	3,486,496
Other assets ²⁶ -----	<u>6,031,087</u>	<u>5,860,038</u>
Total-----	\$21,953,709	\$21,535,099
Liabilities and net worth:		
Current liabilities-----	\$5,946,439	\$6,175,290
Other liabilities-----	4,548,368	4,063,142
Net worth (capital and reserves)-----	<u>11,458,902</u>	<u>11,296,667</u>
Total-----	\$21,953,709	\$21,535,099

Forty percent of the net worth was accumulated through the sale of stock and 60 percent was built up by savings.

The Farm Bureau Cooperative Association owns a subsidiary - The Louisville Refining Company - which refines petroleum products and it in turn owns a subsidiary - The Producers Pipe Line Company - which produces and transports crude oil. Only the investments which The Farm Bureau Cooperative Association has in capital stock in these subsidiaries are included in "other assets" in its balance sheet.

The principal operating facilities owned and operated by The Farm Bureau Cooperative Association and its subsidiaries at the close of the 1952 fiscal year were:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Terminal grain elevator-----	1	\$1,753,229	\$1,496,380
Feed mills-----	4	941,195	300,209
Fertilizer plants-----	5	993,726	497,793
Wholesale farm supply warehouses----	5	338,539	185,631
Transport trucks-----	6	106,812	45,178
Oil delivery trucks-----	17	267,781	118,848
Petroleum refinery-----		4,503,781	3,270,418
Crude oil pipeline (miles)-----	²⁷ 245	940,854	316,786
Crude oil property-----		<u>997,915</u>	<u>684,490</u>
Total-----		\$10,843,832	\$6,915,733

²⁶ Other assets in 1952 include investments of \$908,170 in feed, fertilizer, petroleum processing, and other facilities owned jointly with other cooperatives and \$4,436,733 in wholly-owned subsidiaries operating refining and pipeline facilities.

²⁷ 6 inch pipe - 3.4 miles
 4 inch pipe - 31.4 miles
 3 inch pipe - 26.2 miles
 2 inch pipe - 184.2 miles
 245.2 miles

On December 31, 1952, The Farm Bureau Cooperative Association, Inc. and its subsidiaries had 817 employees. Of these, 283 were engaged in general and administrative activities; 358 in manufacturing and processing operations; 131 in wholesale distribution; 12 in retail distribution; and 33 in marketing farm products.

FARMERS COOPERATIVE EXCHANGE, INC.

The Farmers Cooperative Exchange, Inc., known as FCX with headquarters at Raleigh, N. C., was organized on March 12, 1934.²⁸ It serves approximately 167,000 patrons in North and South Carolina. Of this number, approximately 2 percent were nonfarmers.

Supplies are distributed through 58 FCX centrally-managed subsidiary retail service stores, 37 independent cooperative associations, and 150 private dealer-agencies.

FCX distributed supplies at wholesale for the years ending June 30, 1951 and 1952 as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feeds and grains-----	\$7,607,539	\$11,551,095
Fertilizer-----	2,931,087	4,599,022
Seeds-----	3,359,878	3,688,855
Asphalt, and building materials-----	2,681,462	1,116,294
Paint-----	66,432	74,955
Farm machinery-----	1,145,459	1,392,021
Electrical appliances-----	833,427	1,027,954
Oil, tires and tubes-----	86,564	91,017
Sprays and dusts-----	682,444	663,887
Miscellaneous farm supplies-----	736,798	2,564,529
Total-----	\$20,131,090	\$26,769,629

The value of supplies distributed at retail by FCX-managed retail outlets amounted to \$13,508,546 in 1951 and \$15,090,131 in 1952.

The value of farm products marketed by FCX was as follows for 1951 and 1952:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Grains-----	\$1,876,250	\$2,436,628
Eggs and poultry-----	356,200	422,535
Livestock-----	486,932	558,957
Wool-----	17,218	26,093
Miscellaneous-----	81,647	135,153
Total-----	\$2,818,247	\$3,579,366

²⁸The operations of FCX are closely related to the North Carolina Cotton Growers Cooperative Association. The same general manager serves both organizations. The cotton handled by the North Carolina Cotton Growers Cooperative Association was valued at \$3,038,595 for the 1951 season and \$13,919,360 for the 1952 season. This association's net worth on June 30, 1951, was \$1,026,739 and on June 30, 1952, it was \$1,093,399.

Net margins of FCX and their distribution for the past 2 years were as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$198,470	\$278,810
Cash patronage refunds-----	24,263	12,354
Patronage refunds in capital stock-----	458,314	302,772
Amount retained in reserves-----	205,933	25,920
Total-----	\$886,980	\$619,856

Stock certificates totaling \$23,715, originally issued as patronage refunds, were retired during 1951 and \$52,744 in 1952 under the revolving fund plan.

The financial condition of the FCX and its retail subsidiaries as of June 30, 1951 and 1952, is shown in the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$5,253,122	\$5,565,241
Fixed assets (net)-----	2,135,222	2,612,347
Other assets-----	975,007	925,988
Total-----	\$8,363,351	\$9,103,576
Liabilities and net worth:		
Current liabilities-----	\$1,812,091	\$1,774,552
Other liabilities-----	666,000	525,600
Net worth (capital and reserves)-----	5,885,260	6,803,424
Total-----	\$8,363,351	\$9,103,576

The number and value of facilities owned and operated by FCX and its affiliated service stores and marketing unit on June 30, 1952, were as follows:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouses----	5	\$530,683	\$400,329
Fertilizer mixing plants-----	2	504,406	442,572
Seed-cleaning plants-----	21	37,800	13,900
Retail farm supply stores-----	41	673,420	612,633
General delivery trucks-----	127	314,789	165,706
Office buildings-----	2	241,773	217,028
Miscellaneous-----	9	137,036	125,606
Feed mill-----	1	278,314	237,334
Total-----	208	\$2,718,221	\$2,215,108

In addition to these facilities, FCX and Southern States Cooperative, Inc., jointly manufacture feed in Norfolk and Roanoke, Va., and fertilizer in Norfolk, Va. The FCX investment in these facilities on June 30, 1952, amounted to \$196,413.

On June 30, 1952, FCX had 743 employees. Of these, 98 were engaged in general administrative activities; 88 in manufacturing and processing operations; 85 in wholesale distribution; and 472 in retail distribution.

M. F. A. MILLING COMPANY

The M.F.A. Milling Company, with headquarters in Springfield, Mo., was organized in 1923 and reorganized on its present basis in 1929. At the end of its operating year on June 30, 1952, it was serving 117 local MFA farmers' cooperative exchanges with approximately 75,000 farmer-members. In addition, through arrangements with regional supply cooperatives in Arkansas and Tennessee and through direct arrangements with locals in Oklahoma, Kansas, Texas, and Louisiana, farmers obtain feed from M.F.A. Milling Company at 155 local outlets in these 6 States.

The M.F.A. Milling Company, the largest regional purchasing association affiliated with the Missouri Farmers Association, is owned by local MFA cooperatives in southern Missouri. The local cooperatives, in turn, are owned by the MFA members which they serve. The M.F.A. Milling Company is organized on a nonstock, nonprofit plan, and is financed by patrons' equities. Half of the board of directors is named by the local MFA exchanges it serves, which constitute its class B membership, and the other half is named by the State board of directors of the Missouri Farmers Association, which constitutes its class A membership.

M.F.A. Milling Company distributed supplies at wholesale as follows during the years ending June 30, 1951 and 1952:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$24,945,058	\$31,704,693
Seed-----	<u>1,836,278</u>	<u>1,426,468</u>
Total-----	\$26,781,336	\$33,131,161

It distributed its net margins for 1951 and 1952 as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Patronage refunds in cash-----	\$356,224	\$321,666
Additions to membership equity reserves-----	<u>893,552</u>	<u>1,277,895</u>
Total-----	\$1,249,776	\$1,599,561

During 1951 the company retired in cash member equities for 1946 and 1947, totaling \$643,776, and in 1952 it retired equities for 1948 and 1949 amounting to \$678,334 under its revolving fund plan.

The following condensed financial statement shows the financial condition of the M.F.A. Milling Company on June 30, 1951 and 1952:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$2,736,195	\$2,590,755
Fixed assets (net)-----	1,780,280	2,206,239
Other assets-----	146,740	199,518
Total-----	\$4,663,215	\$4,996,512
Liabilities and net worth:		
Current liabilities-----	\$579,159	\$225,816
Other liabilities-----	11,186	104,919
Net worth-----	4,072,870	4,665,777
Total-----	\$4,663,215	\$4,996,512

On June 30, 1952, the operating facilities of the M.F.A. Milling Company consisted of the following:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Total value of mill buildings, machinery, and equipment-----	2	\$2,834,729	\$2,164,114

In addition the company had investments totaling \$125,150 in facilities owned jointly with other cooperatives.

The M.F.A. Milling Company, in June 1952, had 310 employees, of whom 182 were at Springfield and 128 at Aurora. Of these, 30 were engaged in general administrative activities; 271 in manufacturing and processing operations; and 9 wholesale distribution and field service work.

WASHINGTON CO-OPERATIVE FARMERS ASSOCIATION

The Washington Co-operative Farmers Association, with headquarters in Seattle, Wash., was organized in February 1917, as the Washington Co-operative Egg and Poultry Association. Its name was changed in February 1945 when it broadened its membership requirements and scope of services. The association is a centralized cooperative. During 1952 it served 36,697 member farmers located throughout Washington.

Anyone engaged in the production of farm products in commercial quantities may become a member by paying a \$1 membership fee and 50 cents the first year for a subscription to "Washcoegg" - the house organ of the association. Those wishing to market products through the association must sign marketing agreements covering the specified commodities marketed.

Patrons are served through 38 branch stations located throughout Washington in addition to the facilities at headquarters in Seattle. Poultry and

poultry products, feed, and general farm supplies are handled by all stations. Only 5 have petroleum bulk plants, but in the areas of the other branch stations, oil products are delivered to farmers by the association's tank trucks direct from bulk plants of its supplier.

Washington Co-operative Farmers Association is an integrated organization which processes a large amount of the products it markets and the supplies it distributes to members.

The value of supplies and equipment it distributed to patrons during its fiscal years ended December 31, 1951 and 1952, was as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$19,779,750	\$23,164,455
Seed-----	410,941	495,393
Fertilizer-----	622,734	846,631
Petroleum-----	5,066,976	5,779,958
Other farm supplies and equipment-----	1,596,171	1,898,495
Total-----	\$27,476,572	\$32,184,932

The association was originally formed as an egg and poultry marketing association and this still is one of its major functions. The value of products it marketed for patrons the last 2 years was as follows:

<u>Products</u>	<u>1951</u>	<u>1952</u>
Eggs and egg products-----	\$9,853,821	\$7,945,707
Dressed poultry-----	3,029,296	3,996,626
Dressed turkeys-----	3,105,535	2,904,650
Canned poultry and turkey-----	2,950,062	3,385,011
Seeds-----	238,802	240,120
Total-----	\$19,177,516	\$18,472,114

Net margins, before paying interest on finance fund certificates, for the years ended December 31, 1951 and 1952, were distributed as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Interest on "finance fund" certificates-----	\$313,932	\$319,812
Extra payments on marketing and patronage refunds on purchasing issued as "finance fund" certificates-----	1,637,901	1,608,172
Amounts placed in rotating reserve fund-----	394,667	173,172
Total-----	\$2,346,500	\$2,101,156

This cooperative declares separate rates of extra payments on a patronage basis in its egg, poultry, cannery, turkey, and seed marketing departments and a separate patronage refund rate in its feed, seed and fertilizer, and farm supply departments.

During 1951, the association returned in cash "finance fund" certificates for 1946 totaling \$1,509,846 and rotating reserve funds for 1945 totaling \$333,612. It returned in cash "finance fund" certificates for 1947 totaling \$1,669,011 during 1952. The retirement of any prior year reserves was deferred awaiting rules and regulations to be issued under the 1951 Revenue Act.

The financial condition of the Washington Co-operative Farmers Association on December 31, 1951 and 1952, is shown in the following consolidated balance sheet:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$10,305,324	\$11,600,017
Fixed assets (net)-----	5,151,548	6,265,064
Other assets-----	530,183	798,666
Total-----	\$15,987,055	\$18,663,747
Liabilities and net worth:		
Current liabilities-----	\$3,919,636	\$5,225,047
Deferred liabilities-----	-	-
Net worth (finance fund, reserve funds and undistributed operating margins)-----	12,067,419	13,438,700
Total-----	\$15,987,055	\$18,663,747

On December 31, 1952, approximately 80 percent of the association's net worth was represented by retained net operating margins or savings and the remainder by regular capital subscriptions on farm products marketed.

At the close of 1952, the principal facilities owned by the association were:

<u>Facilities</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Buildings and improvements to leased properties-----	\$5,397,672	\$4,175,135
Land-----	268,835	268,835
Machinery, equipment and furniture-----	2,572,799	1,225,039
Trucks and automobiles-----	1,429,644	596,055
Total-----	\$9,668,950	\$6,265,064

In addition to these facilities the association had \$82,043 invested in federations owned jointly by regionals which operated various manufacturing and wholesaling facilities.

On December 31, 1952, the association had 1,611 employees engaged in its various purchasing and marketing activities.

MIDLAND COOPERATIVE WHOLESALE

The Midland Cooperative Wholesale, with headquarters at Minneapolis, Minn., was organized on September 8, 1926. At the end of its operating year on December 31, 1952, it was serving 682 member associations with 250,000 patrons, 95 percent of whom were farmers. It was also serving 170 nonmember associations with 15,000 patrons, 90 percent of whom were farmers. The association operates throughout Minnesota except for the northeastern quarter of the State. It also operates throughout Wisconsin except for the extreme north, in northern Iowa, and in the extreme eastern parts of the Dakotas.

Midland Cooperative Wholesale distributed supplies at wholesale during the years ending December 31, 1951 and 1952, as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed, flour, and middlings-----	\$2,972,696	\$3,159,109
Fertilizer-----	1,866,716	1,579,649
Seed-----	1,221,656	1,072,879
Petroleum products-----	18,459,063	17,566,707
Tires, tubes, and accessories-----	1,458,767	1,405,181
Farm machinery-----	1,469,860	1,564,746
Steel products-----	509,811	412,686
Paint and related products-----	169,642	162,545
Insecticides-----	26,831	53,919
Electrical equipment-----	795,657	780,396
Coal-----	291,216	230,036
Groceries and dry goods-----	280,399	172,764
Hardware and farm tools-----	563,715	654,092
Oil station equipment-----	218,224	134,885
Miscellaneous-----	4,259	4,575
Total-----	\$30,308,512	\$28,954,169

Net margins, before income taxes, amounted to \$1,261,294 in 1951 and \$467,541 in 1952. The provision for income taxes in 1951 was \$213,365 and in 1952 it was \$105,000.

The remaining net margins were distributed as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$140,732	\$132,628
Patronage refunds in capital stock-----	816,477	206,922
Amount retained in unallocated surplus-----	90,720	22,991
Total-----	\$1,047,929	\$362,541

The financial condition of the Midland Cooperative Wholesale as of December 31, 1951 and 1952, is shown in the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$6,866,220	\$7,165,965
Fixed assets (net)-----	2,928,052	3,878,946
Other assets-----	6,626,972	6,843,048
Total-----	\$16,421,244	\$17,887,959
Liabilities and net worth:		
Current liabilities-----	\$2,838,344	\$4,675,221
Other liabilities-----	2,915,855	2,956,582
Net worth (capital and reserves)-----	10,667,045	10,256,156
Total-----	\$16,421,244	\$17,887,959

On December 31, 1952, the Midland Cooperative Wholesale owned and operated the following principal facilities:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Crude oil property-----		\$3,069,183	\$921,244
Refinery (complete)-----	1	3,204,482	2,226,855
Oil blending plant and bulk petro- leum plants and warehouse-----		867,505	527,056
Transport truck and trailer-----		23,216	2,435
Other properties-----		250,259	201,356
Total-----		\$7,414,645	\$3,878,946

Investments by Midland in other production and operating facilities owned jointly with other cooperatives were as follows at the end of 1952.

<u>Facilities</u>	<u>Amount invested</u>
Fertilizer, feed, and seed processing-----	\$1,433,295
Shingle mill and timber-----	18,665
Refineries and pipelines-----	4,701,400
Soybean mill-----	130,883
Properties of National Cooperatives, Inc. (including milking machine factory)-----	358,463
Other investments-----	128,448
Total-----	\$6,771,154

On December 31, 1952, the Midland Cooperative Wholesale had 412 employees. Of these, 135 were engaged in general and administrative activities; 130 in manufacturing and processing operations; and 147 in wholesale distribution.

PENNSYLVANIA FARM BUREAU COOPERATIVE ASSOCIATION

The Pennsylvania Farm Bureau Cooperative Association, with headquarters at Harrisburg, Pa., was organized in 1934. At the close of 1952 it was serving 34 member associations operating on a countywide basis with 72,000 patrons of whom 97 percent were farmers. Supplies also are distributed by 18 private dealer agents and 4 farmer fertilizer agents who operate directly through the Farm Bureau Cooperative Distribution Association, Harrisburg, Pa. During 1951 it had 3,000 patrons of whom approximately 95 percent were farmers. The total service area of the Pennsylvania Farm Bureau Cooperative Association comprises 53 counties in Pennsylvania.

This cooperative distributed supplies at wholesale for the years ending December 31, 1951 and 1952, as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$8,974,681	\$9,971,218
Fertilizer-----	1,975,296	2,031,240
Seed-----	1,049,225	1,210,648
Petroleum products-----	5,934,313	6,148,070
Tires, tubes, and other accessories-----	274,048	179,085
Farm machinery and parts-----	725,451	851,279
Farm equipment-----	741,810	771,567
Steel products-----	687,499	632,857
Lumber, paint, and other maintenance equipment-----	196,907	183,874
Insecticides-----	392,155	376,313
Electrical equipment and appliances-----	407,556	263,380
Twine-----	287,848	259,210
Chicks-----	289,302	337,090
Total-----	\$21,936,091	\$23,215,831

The cooperative had net margins for the years ending December 31, 1951 and 1952, from the following sources:

<u>Source of net savings</u>	<u>²⁹1951</u>	<u>1952</u>
Manufacturing and wholesale purchasing operations-----	\$754,823	\$456,486
Other operations-----	74,380	44,982
Total-----	\$829,203	\$501,468

²⁹Revised.

These net margins were distributed in the following manner:

<u>Distribution of net margins</u>	<u>30 1951</u>	<u>1952</u>
Cash dividends on stock-----	\$145,997	\$160,265
Patronage refunds in capital stock-----	325,199	267,746
Retained in capital reserves-----	<u>358,007</u>	<u>73,457</u>
Total-----	\$829,203	\$501,468

The financial condition of the Pennsylvania Farm Bureau Cooperative Association on December 31, 1951 and 1952, is shown in the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$3,274,470	\$3,571,625
Fixed assets (net)-----	1,173,552	1,163,958
Other assets-----	<u>3,291,070</u>	<u>3,221,964</u>
Total-----	\$7,739,092	\$7,957,547
Liabilities and net worth:		
Current liabilities-----	\$1,018,420	\$1,190,657
Other liabilities-----	1,019,292	1,000,555
Net worth (capital and reserves)-----	<u>5,701,380</u>	<u>5,766,335</u>
Total-----	\$7,739,092	\$7,957,547

On December 31, 1952, the principal operating facilities of the Pennsylvania Farm Bureau Cooperative Association consisted of the following:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Feed mill-----	1	\$385,960	\$269,528
Seed cleaning plant-----	1	156,229	108,158
Wholesale farm supply warehouses----	2	288,783	211,464
Office building-----	1	205,685	187,648
Transport trucks-----	17	101,929	44,750
Dust plant-----	1	16,479	4,188
Hatcheries-----	3	169,381	132,086
Poultry breeding farm-----	1	100,532	79,384
Other facilities-----		<u>211,236</u>	<u>124,482</u>
Total-----		\$1,636,214	\$1,161,688

In addition, the association held investments of \$3,103,489 in facilities owned jointly with other cooperatives.

³⁰Revised.

On December 31, 1952, the Pennsylvania Farm Bureau Cooperative Association had 275 employees. Of these, 147 were engaged in general and administrative activities; 91 in manufacturing and processing operations; and 37 in wholesale distribution.

PACIFIC SUPPLY COOPERATIVE

The Pacific Supply Cooperative, with headquarters at Walla Walla, Wash., was organized December 19, 1933. At the close of its operating year, June 30, 1952, it was serving 134 member associations in Oregon, Washington, Idaho, and northwestern Wyoming. Patrons of these associations numbered 60,000 and 95 percent were farmers. It also served 50 nonmember associations with 15,000 patrons, of whom 60 percent were farmers.

It distributed supplies at wholesale during the fiscal years ending June 30, 1951 and 1952, as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed and grain-----	\$1,378,854	\$1,459,538
Fertilizer-----	1,728,362	2,094,716
Seed-----	155,970	166,701
Gas, oil, grease, and fuel oil-----	11,153,503	11,398,819
Tires, tubes, and other accessories-----	1,110,585	630,215
Farm machinery and parts-----	1,191,163	990,433
Lumber, paint, products, and other maintenance equipment-----	965,947	683,343
Insecticides and chemicals-----	652,472	543,777
Electrical equipment and appliances-----	195,654	175,197
Hardware-----	372,899	368,054
Farm appliances and irrigation supplies-----	628,842	811,623
Miscellaneous supplies and service revenues-----	167,656	23,487
Total-----	\$19,701,907	\$19,345,903

The Pacific Supply Cooperative marketed farm products in 1951 and 1952 as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Seed-----	\$3,549,852	\$2,961,723
Grain-----	1,816,407	2,241,156
Total-----	\$5,366,259	\$5,202,879

It distributed total net margins for 1951 and 1952 as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Certificates-----	\$789,575	\$342,055
Reserves-----	24,982	10,643
Cash-----	455	531
Common stock-----	184,279	72,520
Total-----	\$999,291	\$425,749

The association reports that \$111,919 in stock or certificates originally issued as patronage refunds were retired in 1951 under its revolving fund plan. In 1952 the amount retired was \$56,984.

The financial condition of the Pacific Supply Cooperative on June 30, 1951 and 1952, is shown in the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$5,842,789	\$5,187,854
Fixed assets (net)-----	1,301,881	2,187,117
Other assets and investments-----	1,173,534	1,364,405
Total-----	\$8,318,204	\$8,739,376
Liabilities and net worth:		
Current liabilities-----	\$2,518,897	\$2,259,187
Other liabilities-----	18,517	11,422
Net worth or member and patron equities-----	5,780,790	6,468,767
Total-----	\$8,318,204	\$8,739,376

On June 30, 1952, the Pacific Supply Cooperative owned and operated the following principal facilities:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouses----	4	\$182,944	\$116,676
Seed and feed plants-----	5	633,399	372,572
Chemical and fertilizer plants-----	3	270,402	183,264
Transport trucks-----	14	294,924	63,068
Office-----		157,802	80,057
Other facilities-----		424,428	387,516
Total-----		\$1,963,899	\$1,203,153

In addition, the association held investments of \$376,169 in facilities owned jointly with other cooperative associations.

On June 30, 1952, the Pacific Supply Cooperative had 246 employees. Of these, 76 were engaged in general administrative activities; 80 in manufacturing and processing operations; 78 in wholesale distribution; and 12 in marketing farm products.

FRUIT GROWERS SUPPLY COMPANY

Fruit Growers Supply Company, Los Angeles, Calif., organized in October 1907, is the oldest major farmers' purchasing cooperative. It serves 170 member citrus fruit packing associations with 14,000 farmer-members who are located in the citrus districts of California and Arizona. Although separately incorporated and managed, it actually serves as the supply procurement agency for members of the Sunkist Growers.

The Fruit Growers Supply Company distributed supplies at wholesale in the years ended December 31, 1951 and 1952, as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Box shock, tissue paper wraps, and other packing supplies-----	\$16,548,461	\$15,638,246
Fertilizer-----	1,990,805	1,831,712
Insecticides-----	646,238	564,635
Miscellaneous orchard supplies-----	513,427	457,772
Total-----	\$19,698,931	\$18,492,365

The net margins on these sales amounted to \$1,682,000 in 1951 and \$1,599,172 in 1952. All net margins were distributed as patronage refunds in cash.

The company is owned by the local fruit-shipping organizations which it serves. Ownership is in proportion to their use of the company facilities. Under a revolving fund agreement shippers purchase, on the basis of current fruit shipments, shares of the capital stock of the company and a corresponding amount of the oldest outstanding stock is called in each year. Additional capital is now being raised under an agreement which calls for each shipper to purchase additional stock equal to 2 cents for each packed box of fruit it ships.

The financial condition of Fruit Growers Supply Company on December 31, 1951 and 1952, is shown in the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$10,298,070	\$11,777,593
Fixed assets (net)-----	11,948,267	11,904,697
Other assets-----	653,793	783,797
Total-----	\$22,900,130	\$24,466,087
Liabilities and net worth:		
Current liabilities-----	\$6,624,022	\$7,108,787
Other liabilities-----	6,800,000	6,800,000
Net worth or member and patron equities-----	9,476,108	10,557,300
Total-----	\$22,900,130	\$24,466,087

Fruit Growers Supply Company owns and operates three lumber and box shook manufacturing plants and several thousand acres of timberland.

On December 31, 1952, Fruit Growers Supply Company had 1,850 employees. Of these, 50 were engaged in general and administrative activities and 1,800 in logging and manufacturing operations.

FARM BUREAU SERVICES, INC.

Farm Bureau Services, Inc., with headquarters at Lansing, Mich., was organized on October 25, 1929, to provide a cooperative wholesale supply service for farmers' cooperatives in Michigan. At the end of its fiscal year on August 31, 1952, this cooperative provided supply service for some 100,000 patrons through 156 member associations,³¹ 28 nonmember associations, 13 branch retail outlets, and 175 private dealer outlets. Farmers represented approximately 87 percent of the patrons of these retail outlets.

Its wholesale division distributed³² supplies for the fiscal years ending August 31, 1951 and 1952, as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$3,519,967	\$4,461,249
Fertilizer-----	3,294,582	3,725,008
Seed-----	1,112,945	1,311,946
Steel products-----	1,138,426	1,191,617
Lumber, paint, and other maintenance equipment	202,744	139,165
Insecticides-----	390,678	334,506
Farm machinery and parts-----	1,334,250	1,186,943
Electrical equipment and appliances-----		
Twine-----		
Coal-----	163,257	166,386
Total-----	\$11,156,849	\$12,516,820

This wholesale volume included the value of supplies transferred to its own retail branch outlets amounting to \$3,420,000 in 1951 and \$3,925,932 in 1952.

In addition to the central office wholesale supply operations, the value of supplies distributed through branch outlets owned by the association amounted to \$6,279,679 in 1951 and \$7,451,331 in 1952. This volume includes \$863,872 in 1951 and \$1,179,345 in 1952 for farm equipment, both wholesale and retail, distributed through 6 farm equipment branches established within the past 2 years. Beginning September 1, 1952, all farm equipment will be distributed through these combined retail and wholesale warehouses.

³¹Seventeen of the member associations were managed by Farm Bureau Services, Inc., under management contracts.

³²Beginning January 1, 1949, the distribution of petroleum products was handled through a separate corporation, the Farmers Petroleum Cooperative, Inc. Its volume of business for the year ending August 31, 1951, was \$3,738,028 and net savings totaled \$99,935. This compares with a volume of \$3,941,178 and savings of \$198,476 for the year ending August 31, 1952.

While Farm Bureau Services, Inc., is primarily a purchasing cooperative, it marketed farm products during the years ending August 31, 1951 and 1952, as follows:

<u>Commodity</u>	<u>1951</u>	<u>1952</u>
Grain-----	\$1,474,641	\$1,414,746
Beans-----	411,109	693,749
Eggs and poultry-----	83,071	82,307
Total-----	\$1,968,821	\$2,190,802

The sources of net margins of the organization for the fiscal years 1951 and 1952 were as follows:

<u>Source of net margins</u>	<u>1951</u>	<u>1952</u>
Wholesale supply business (including manufacturing margins)-----	\$431,455	\$137,572
Retail supply business-----	113,983	36,948
Farm marketings-----	24,659	18,098
Total-----	\$570,097	\$192,618

It distributed these net margins as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$41,050	\$31,945
Patronage refunds in capital stock-----	526,896	134,303
Addition to capital reserve fund-----	2,151	26,370
Total-----	\$570,097	\$192,618

The financial condition of Farm Bureau Services, Inc., as of August 31, 1951 and 1952, is shown by the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$3,637,476	\$4,061,048
Fixed assets (net)-----	2,127,350	2,183,411
Other assets ³³ -----	849,152	870,554
Total-----	\$6,613,978	\$7,115,013
Liabilities and net worth:		
Current liabilities-----	\$1,224,418	\$1,411,488
Other liabilities ³⁴ -----	2,856,895	3,066,945
Net worth or member and patron equities-----	2,532,665	2,636,580
Total-----	\$6,613,978	\$7,115,013

³³Mainly investments in regional cooperatives.

³⁴Includes liability on debentures as follows:

	<u>1951</u>	<u>1952</u>
4% - 10 year debentures-----	\$1,551,280	\$1,697,180
3% - 15 year debentures-----	595,550	622,080
5% - 15 year debentures-----	-	140,050
Total-----	\$2,146,830	\$2,459,310

The value of the principal operating facilities owned on August 31, 1952, was as follows:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply warehouse ³⁵ ----	5	\$434,799	\$355,161
Seed cleaning plant-----	1	73,377	43,992
Retail farm supply branches-----	12	654,064	480,953
Wholesale and retail farm equipment branches-----	5	99,030	84,724
General delivery truck and cars-----	52	126,067	71,927
Office equipment-----		132,615	73,445
Transportation department trucks and trailers, tractor-trailer units---	9	84,817	43,617
Temporary office buildings-----	2	21,155	5,299
Bulk petroleum plant ³⁶ -----	3	25,241	8,899
Dust mixing plant-----	1	31,091	23,088
Fertilizer manufacturing plant-----	1	1,275,079	992,305
Total-----	91	\$2,957,335	\$2,183,410

In addition, Farm Bureau Services had \$680,043 invested in federations owned jointly with other regional cooperatives which operated various manufacturing facilities.

At the end of its fiscal year on August 31, 1952, Farm Bureau Services, Inc., had 448 employees - 61 in general administrative activities; 60 in manufacturing and processing operations; 73 in wholesale distribution; 202 in retailing and marketing; and 52 in contractual services for the affiliated Michigan Farm Bureau.

POULTRYMEN'S COOPERATIVE ASSOCIATION OF SOUTHERN CALIFORNIA

The Poultrymen's Cooperative Association of Southern California (PCA), with headquarters in Los Angeles, was organized in January 1931. It was formed to acquire most of the physical assets and business of cooperative poultry marketing and feed milling associations owned by poultrymen in the area. PCA is a centralized cooperative which had 2,592 members on March 31, 1952. It serves an area comprising most of eight counties in the vicinity of Los Angeles. All but 1.7 percent of its business was done with members in 1952.

Any person, company, corporation, or partnership engaged in poultry and egg production is eligible for membership, provided the operator has a project consisting of 400 laying hens or its equal. The membership fee is \$10. Each member has a minimum of one vote and receives an additional vote for each \$5,000 of yearly business with the association up to a maximum of five votes. PCA has nine directors, eight of which are elected by districts and one is elected at large. Each district has an

³⁵Four of these units are combination wholesale and retail units. Cost and depreciated value have been divided according to use.

³⁶One plant is leased to a local association managed by Farm Bureau Services, Inc.

informal local organization which functions in an advisory capacity to PCA, and as an educational agency for its members.

Feed and supply patrons are served through eight branch plants in addition to the headquarters facilities. The central plant at Los Angeles consists of complete feed manufacturing and pelleting equipment, bulk grain storage, bulk feed delivery equipment, an egg handling department, the central supply department, and general offices. All branches except two have feed manufacturing and bulk delivery facilities. One is a retail store and one an agency handling PCA feeds. Eggs are candled and sold at the Los Angeles central plant and at the Atascadero branch. They also are sold at the Ventura branch station.

PCA distributed supplies and equipment to patrons during the fiscal years ended March 31, 1951 and 1952 as follows:

Commodities	<u>1951</u>	<u>1952</u>
Feed-----	\$10,501,552	\$14,021,657
Miscellaneous supplies-----	<u>599,462</u>	<u>503,237</u>
Total-----	\$11,101,014	\$14,524,894

The feed volume in 1952 represented 145,399 tons of which about 36 percent was delivered in bulk by 21 bulk feed trucks operated by the association.

PCA has always performed egg marketing services for its members. Sales of eggs totaled \$1,824,910 during the fiscal year ended March 31, 1951 and \$2,156,376 during the year ended in 1952. A total of 3,893,137 dozen was marketed in 1952.

This cooperative's net margins, before income taxes, amounted to \$892,190 in 1951 and \$992,004 in 1952. Provisions for Federal income taxes amounted to \$4,115 in 1951 and \$4,995 in 1952. It distributed the remaining net margins as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Patronage refund in cash-----	\$490,644	\$593,354
Retained as revolving fund credits-----	384,636	380,160
Additions to general reserve (derived from nonmember business)-----	<u>12,795</u>	<u>13,495</u>
Total-----	\$888,075	\$987,009

Net margins or savings are computed separately for the feed, supply, and egg departments and returned ratably to all members on a patronage basis with the same rates declared for all branches.

PCA has a rather unique system for financing wherein practically all of its member capital is represented by a 7-year revolving fund. Capital is accumulated by retaining capital overcharges or markups on feed and

supplies which are added to the billing prices to members, and by retaining a fixed percent of the returns received for products marketed for members. Mixed feed is the foundation of PCA's capital structure. Prices are determined weekly based on the replacement value of the feed ingredients plus the estimated cost of milling, distribution, and general administrative expense. To this is added a capital overcharge, which in recent years has been 25 cents per 100 pounds. Of this 25 cents capital markup, 15 cents is regularly placed in the revolving fund structure and the other 10 cents is essentially used as protection against losses from inventory declines. If, however, inventory appreciation occurs the 10 cents per 100 pounds, plus the inventory gain, plus any savings made in achieving costs under original estimates are returned as cash patronage refunds.

During 1952 about 62 percent of the feed and supply department overages on member business was paid as a cash refund, and the remaining 38 percent plus the entire egg department overage, which is small because of the policy of advances to members, was retained in the revolving fund.

During the fiscal year ended in 1951, PCA retired in cash the revolving fund credits for 1943 totaling \$276,614. During 1952 it retired credits of \$80,572 for 1944.

The financial condition of PCA on March 31, 1951 and 1952, is shown in the following condensed statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$2,038,343	\$2,387,693
Fixed assets (net)-----	987,402	1,035,009
Other assets-----	119,531	147,347
Total-----	\$3,145,276	\$3,570,049
Liabilities and member equities:		
Current liabilities-----	\$1,426,150	\$1,587,127
Other liabilities-----	49,835	-
Member equities or net worth-----	1,669,291	1,982,922
Total-----	\$3,145,276	\$3,570,049

On March 31, 1952, the principal operating facilities owned by PCA were as follows:

<u>Facilities</u>	<u>Number of plants</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Central feed mill, supply department, egg handling facilities, and general offices-----		\$690,082	\$308,210
Branch stations and mills-----	7	782,628	554,308
Automobile and trucks-----		404,839	172,491
Total-----		\$1,877,549	\$1,035,009

In addition to these facilities, PCA had \$5,286 invested in other regional cooperatives which operate various manufacturing or processing facilities.

On March 31, 1952, PCA had 331 full-time employees. Of these 37 were engaged in general and administrative activities; 250 spent a majority of their time in feed and supply operations; and 44 spent most of their time in egg marketing operations.

CENTRAL COOPERATIVE WHOLESALE

The Central Cooperative Wholesale, often referred to as C.C.W., with headquarters at Superior, Wis., was organized on September 16, 1917. At the close of its operating year on November 30, 1952, it was serving 207 member and 58 nonmember cooperatives in northern parts of Michigan, Wisconsin, Minnesota, and in eastern North Dakota. These cooperative outlets served approximately 100,000 patrons, 75 percent of whom were farmers.

It distributed supplies at wholesale during fiscal years, ending November 30, 1951 and 1952, was as follows:

<u>Commodities</u>	<u>1951</u> 11 months	<u>1952</u>
Feed-----	\$2,269,150	\$2,405,369
Fertilizer-----	170,000	180,000
Seeds-----	155,000	145,000
Petroleum products-----	1,538,805	1,756,932
Tires, tubes, and other accessories-----	286,563	283,173
Steel products-----	148,296	140,766
Lumber, paints, and other maintenance equipment-----	327,629	328,688
Insecticides-----	38,742	44,879
Electrical equipment and appliances-----	366,819	347,378
Farm machinery-----	296,829	230,552
Hardware-----	255,115	315,660
Twine-----	76,040	91,426
Coal-----	80,191	67,747
Groceries-----	2,732,324	3,052,301
Fresh fruits and vegetables-----	320,770	373,071
Bakery products-----	327,560	347,900
Coffee-----	445,632	490,775
Clothing-----	647,966	592,293
Total-----	\$10,483,431	\$11,193,910

The total net margins, before income taxes, on manufacturing and wholesale purchasing operations amounted to \$293,287 in 1951 and \$187,520 in 1952.

In 1951, a provision of \$21,600 was made for income taxes. In 1952, it was \$22,715.

The remaining net margins were distributed as follows:

<u>Margins</u>	<u>1951</u>	<u>1952</u>
Unallocated surplus-----	\$4,088	\$2,865
Patronage refunds paid in capital stock shares-----	237,716	127,872
Interest on capital stock-----	29,883	34,068
Total-----	\$271,687	\$164,805

The financial condition of C.C.W. on November 30, 1951 and 1952, is shown in the following statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$2,258,195	\$2,222,751
Fixed assets (net)-----	511,118	507,109
Other assets-----	1,404,570	1,597,287
Total-----	\$4,173,883	\$4,327,147
Liabilities and net worth:		
Current liabilities-----	\$1,013,742	\$976,813
Long-term notes-----	200,100	291,620
Net worth (capital and reserves)-----	2,960,041	3,058,714
Total-----	\$4,173,883	\$4,327,147

On November 30, 1952, the principal operating facilities owned and operated by the C.C.W. consisted of the following:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Land-----		\$33,280	\$33,280
Warehouse and office (buildings and equipment)-----	4	443,895	281,071
Bakery (building and equipment)-----	1	96,262	24,118
Coffee roasting plant (equipment)-----	1	17,786	4,421
Feed mill (building and equipment)-----	1	159,573	69,350
Garage and delivery equipment-----	2	163,981	69,489
Oil plant building-----	1	6,510	1,985
Publishing building-----	1	23,505	10,093
Other-----	2	18,495	13,302
Total-----		\$963,287	\$507,109

In addition to these facilities, C.C.W. had \$1,559,541 invested in federations owned jointly with other regionals which operated various manufacturing facilities.

On November 30, 1952, C.C.W. had 226 employees. Of these, 116 were engaged in general and administrative activities; 44 in manufacturing and processing operations; and 66 in wholesale distribution.

ARKANSAS FARMERS ASSOCIATION

The Arkansas Farmers Association, formerly the Arkansas Farm Bureau Cooperative, with headquarters at Little Rock, Ark., was organized in 1945. The association, through 53 member local associations, 6 branches of local associations, 7 nonmember service companies, and 325 Farm Bureau purchasing committees or dealer agents, serves approximately 57,000 farmers.

This cooperative distributed supplies at wholesale during 1951 and 1952 as follows:

<u>Commodities</u>	<u>³⁷ 1951</u>	<u>1952</u>
Feed-----	\$5,514,516	\$5,938,925
Seed-----	481,233	818,596
Fertilizer-----	2,137,407	2,325,322
Baby chicks-----	740,604	795,588
Farm supplies-----	571,111	410,504
Total-----	\$9,444,871	\$10,288,935

It distributed net margins as follows:³⁸

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Dividends on preferred stock-----	\$5,318	\$6,703
Educational fund (newspaper)-----	8,745	-
Patrons' certificates of equity-----	239,364	179,671
Retained in capital reserves-----	³⁹ 26,129	19,963
Total-----	\$279,556	\$206,337

The financial condition of the Arkansas Farmers Association on May 31, 1951 and 1952, is shown in the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$465,923	\$513,960
Fixed assets (net)-----	173,169	230,140
Other assets-----	476,755	462,536
Investments-----	65,610	61,761
Total-----	\$1,181,457	\$1,268,397

³⁷Calendar year basis.

³⁸Includes deferred patronage refunds from other cooperatives totaling \$164,654 in 1951 and \$164,028 in 1952.

³⁹Undistributed net savings.

	<u>1951</u>	<u>1952</u>
Liabilities and net worth:		
Current liabilities-----	\$302,992	\$304,048
Other liabilities-----	90,755	135,023
Net worth or member and patron equities-----	<u>787,710</u>	<u>829,326</u>
Total-----	\$1,181,457	\$1,268,397

Facilities it owned and operated at the close of 1952 included:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Wholesale farm supply			
warehouse and office-----	1	\$54,014	\$51,309
Hatcheries-----	6	163,206	141,967
Auto and trucks-----	9	15,572	8,896
Leasehold improvements-----			
Furniture and fixtures-----		<u>33,636</u>	<u>27,968</u>
Office building-----			
Total-----		\$266,428	\$230,140

In addition, the Arkansas Farmers Association is the sole sales agent for the Arkansas Farmers Plant Food Company. This latter firm has a fertilizer plant costing approximately \$750,000 which is located in North Little Rock.

On December 31, 1952, the Arkansas Farmers Association had 60 employees, of whom 50 were engaged in general administrative activities, and 10 in wholesale distribution.

CONSUMERS COOPERATIVES ASSOCIATED

Consumers Cooperatives Associated, with headquarters at Amarillo, Tex., was organized in 1930. On October 31, 1952, it was serving 425 associations - 315 member associations and 110 nonmember associations - with approximately 190,000 patrons, 97 percent of whom were farmers. The association operates in Texas, New Mexico, Arkansas, Louisiana, Mississippi, the southeastern part of Colorado, and the southeastern and southern parts of Oklahoma.

The subsidiaries of Consumers Cooperatives Associated are the Levelland Consumer Cooperative Association which operates a refinery at Levelland, Tex., and the Cooperative Producing Association of New Mexico which produces crude oil near Caprock, N. Mex.

Supplies distributed at wholesale by the association and its subsidiaries during the fiscal years ending on October 31, 1951 and 1952, were as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$477,118	\$459,001
Seed-----		
Insecticides-----	1,397,564	1,152,422
Fertilizer-----		
Light fuels-----	5,583,156	5,321,595
Lubricating oils-----	261,328	221,782
Anti-freeze-----	27,556	8,301
Grease-----	46,416	60,740
Tires and tubes-----	339,187	241,633
Batteries-----	60,728	53,049
Auto accessories-----	56,868	42,698
Appliances-----	129,738	126,497
Hardware and building supplies-----	335,800	234,514
Farm machinery-----	277,459	204,317
Groceries and miscellaneous-----	11,188	3,811
Total-----	\$9,004,106	\$8,130,360

The association marketed grain for \$39,584 in 1951 - no grain marketed in 1952.

Consumers Cooperatives Associated and its subsidiaries derived their net margins for the fiscal years ending October 31, 1951 and 1952, as follows:

<u>Source of net margins or loss</u>	<u>1951</u>	<u>1952</u>
Manufacturing and wholesale purchasing operations-----	\$44,630	-\$191,285
Marketing operations-----	-175	-2,010
Other operations-----	-8,578	-23,724
Total-----	\$35,877	-\$217,019

It distributed net margins as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	-	-
Retained in capital reserves-----	\$35,877	-
Patronage refunds paid in capital stock and equities-----	-	-
Total-----	\$35,877	-

The financial condition of Consumers Cooperatives Associated and its subsidiaries on October 31, 1951 and 1952, is shown by the following consolidated financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$2,466,831	\$1,441,002
Fixed assets (net)-----	1,567,535	1,437,088
Other assets-----	277,652	283,938
Total-----	\$4,312,018	\$3,162,028
Liabilities and net worth:		
Current liabilities-----	\$2,178,993	\$1,495,976
Other liabilities-----	24,352	19,768
Net worth or members and patrons equities-----	2,108,673	1,646,284
Total-----	\$4,312,018	\$3,162,028

On October 31, 1952, the principal operating facilities of the association and its subsidiaries were as follows:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Warehouses-----	3	\$118,172	-
Grain drying plant-----	1	79,216	-
Feed mill-----	1		
Petroleum refinery-----	1	1,154,090	\$649,012
Crude oil producing properties-----	1	1,212,068	386,324
Refined fuels terminal-----	1	38,500	-
Fertilizer plant-----	1	331,205	-
Transports-----	2	180,400	401,752
Other-----	-	21,035	-
Total-----		\$3,134,686	\$1,437,088

In addition to the main warehouses at Amarillo, Tex., branch warehouses are located at Dallas, and Edroy, Tex. A grain-drying plant and a feed mill are operated in connection with the Edroy warehouse. The refined fuels terminal at Dumas, Tex., has been closed. The association's Red Star Fertilizer Plant is at Sulphur Springs, Tex. The association's subsidiaries have a refinery at Levelland, Tex., and crude oil properties near Caprock, N. Mex.

In addition, the association had \$40,925 invested in jointly-owned federations of regional cooperatives which operated various manufacturing and wholesaling facilities.

On October 31, 1952, Consumers Cooperatives Associated and its subsidiaries had 95 employees. Of these 23 were engaged in general administrative activities; 25 in manufacturing and processing operations; and 47 in wholesale distribution.

TENNESSEE FARMERS COOPERATIVE

The Tennessee Farmers Cooperative was organized September 27, 1945. Headquarters are in Nashville, Tenn. At the end of the operating year, December 31, 1952, it was serving 89 county cooperatives in Tennessee, of whom 72 were members. These associations served about 100,000 patrons all of whom were farmers.

The Tennessee Farmers Cooperative distributed supplies at wholesale during the fiscal years ending December 31, 1951 and 1952, as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$2,317,135	\$2,180,922
Fertilizer-----	3,118,850	3,748,105
Seed-----	1,234,647	1,335,502
Building supplies-----	411,098	363,235
Petroleum-----	211,884	204,920
Other-----	116,637	72,308
Total-----	\$7,410,251	\$7,904,992

It distributed net margins as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Interest on stock-----	\$18,395	\$31,743
Patronage refunds in cash-----	-	-
Capital reserves-----	179,104	137,968
Total-----	\$197,499	\$169,711

The financial condition of Tennessee Farmers Cooperative on December 31, 1951 and 1952, is shown in the following condensed financial statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$890,421	\$1,230,479
Fixed assets (net)-----	417,711	695,544
Other assets-----	184,490	275,995
Total-----	\$1,492,622	\$2,202,018
Liabilities and net worth:		
Current liabilities-----	\$650,064	\$958,277
Other liabilities-----	87,716	247,916
Net worth or member and patron equities-----	754,842	995,825
Total-----	\$1,492,622	\$2,202,018

The association operates on a revolving capital plan but it retired no equities in 1951 or 1952.

On December 31, 1952, the association reported that 56 percent of its net worth was represented by stock sales and the remaining 44 percent had been accumulated through retained allocated reserves.

The operating facilities owned by the Tennessee Farmers Cooperative on December 31, 1952, were as follows:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Fertilizer plants-----	2	\$580,720	\$531,224
Warehouses-----	3	126,744	116,446
Trucks-----	4	11,862	9,215
Other-----		51,594	38,659
Total-----		\$770,920	\$695,544

As of December 31, 1952, Tennessee Farmers Cooperative had 104 employees. Of this number 28 were engaged in general and administrative activities; 57 in manufacturing, processing, and construction; and 19 in wholesale distribution.

FARMERS UNION STATE EXCHANGE

The Farmers Union State Exchange, with headquarters at Omaha, Nebr., was organized in 1914. On September 30, 1952, it was serving 353 member associations with 65,000 patrons, of whom 98 percent were farmers. Through 20 private dealers it reached an additional 3,000 patrons, of whom 90 percent were farmers. The association also owned and operated 6 retail farm supply stores and 3 retail bulk petroleum plants which serve 2,100 patrons, 98 percent of whom were farmers. The Exchange operates only in Nebraska.

It distributed supplies at wholesale during fiscal years ended on September 30, 1951 and 1952, as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$111,174	\$142,795
Seed-----	62,206	77,480
Gas, oil, and grease-----	3,510,526	3,834,362
Tires, tubes, and other accessories-----	205,257	199,936
Farm machinery and hardware-----	1,010,831	823,807
Farm equipment and fencing-----	253,330	240,394
Paint-----	49,769	42,445
Twine-----	93,008	88,579
Coal-----	93,751	112,084
Groceries-----	303,493	359,975
Clothing-----	37,757	36,421
Roofing-----	92,014	81,423
Miscellaneous-----	5,966	5,134
Total-----	\$5,829,082	\$6,044,835

The Farmers Union State Exchange also had retail sales of \$1,394,687 in 1951 and \$1,390,999 in 1952.

It distributed net margins in the following manner:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$22,196	\$23,511
Patronage refunds allocated-----	261,473	151,790
Amount credited to surplus reserve fund-----	<u>31,518</u>	<u>25,566</u>
Total-----	\$315,187	\$200,867

The financial condition of the Farmers Union State Exchange on September 30, 1951 and 1952, is shown in the following condensed statement:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$1,518,902	\$1,754,063
Fixed assets (net)-----	319,530	294,398
Other assets-----	<u>1,423,473</u>	<u>1,335,099</u>
Total-----	\$3,261,905	\$3,383,560
Liabilities and net worth:		
Current liabilities-----	\$778,725	\$654,417
Other liabilities-----	319,258	667,186
Net worth or member and patron equities-----	<u>2,163,922</u>	<u>2,061,957</u>
Total-----	\$3,261,905	\$3,383,560

On September 30, 1952, the association had principal operating facilities as follows:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Retail farm supply stores-----	3	\$93,262	\$62,237
Bulk petroleum plants-----	2	7,612	1,238
Office building and warehouse-----	1	157,963	71,970
Lubricating oil compounding plant-----	1	179,500	110,166
Transport trucks-----	6	70,283	25,157
General delivery trucks-----	12	29,062	3,893
Locker plant-----	1	9,309	2,045
Truck garages-----	2	8,341	2
Total-----	28	<u>\$555,332</u>	<u>\$276,708</u>

In addition to these facilities, Farmers Union State Exchange had \$1,327,892 invested in federations owned jointly with other regionals which operated various manufacturing and wholesaling facilities.

At the close of 1952, the Exchange had 186 employees.

MISSISSIPPI FEDERATED COOPERATIVES (AAL)

Mississippi Federated Cooperatives (AAL) with headquarters in Jackson was first incorporated as the Mississippi Farm Bureau Federation (AAL) in 1930 and reorganized as a separate association in 1935. From 1922 until its incorporation in 1930, however, the Federation performed a wholesale fertilizer purchasing service for its county farm bureau units.

At the end of its fiscal year May 31, 1952, Mississippi Federated Cooperatives (AAL) was serving 42 member county associations, which had about 60,000 patrons; and 28 non-member associations with about 9,000 patrons. Approximately 95 percent of the patrons of both groups were farmers. Also it provided a cotton marketing and loan service for approximately 2,500 growers who dealt direct with MFC and for approximately 9,500 growers who placed their cotton with 42 member associations which acted as receiving agents for MFC. The entire business was conducted in Mississippi.

Voting membership in Mississippi Federated is limited to local farmer cooperatives and is acquired by purchasing \$200 of common stock. Under the State law each share of common and preferred stock has one vote. Both MFC and its member cooperatives are separate from the State and county farm bureau organizations. In 1952 only the president of the Mississippi Farm Bureau Federation was a director of MFC, and the general manager of MFC was an advisory board member of the State Farm Bureau.

The MFC distributed supplies at wholesale during its fiscal years ending May 31, 1951 and 1952, as follows:

<u>Commodity</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$220,522	\$17,930
Fertilizer-----	3,881,552	4,859,345
Seed-----	1,338,467	1,345,537
Insecticides-----	534,367	389,813
Miscellaneous supplies-----	211,247	315,818
Total-----	\$6,186,155	\$6,928,443

It also handled a small amount of feed each year on a brokerage basis which went directly to member cooperatives.

Since 1940 MFC has performed a cotton marketing and loan service. In the 1950-51 fiscal year it marketed for individual growers \$1,256,710 of cotton and in 1951-52 fiscal year it marketed cotton worth \$5,904,727. It handled approximately 4,000 bales of cotton through its Government-loan pool in the 1950-51 fiscal year and 32,593 bales in the 1951-52 fiscal year.

Net margins or savings, after bonuses, of \$271,968 were realized on purchasing operations and \$74,406 on marketing operations in 1952 compared with \$365,364 on purchasing and \$20,168 on marketing operations in 1951.

Total net margins for the two years were distributed as follows:

<u>Distributions of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends paid on stock and on equity credits-----	\$38,218	\$48,701
Patronage refunds issued as capital stock-----	323,745	275,095
Amount retained as allocated margins or equity credits (on a patronage basis)-----	23,569	22,578
Total-----	\$385,532	\$346,374

The association operates on a 7-year revolving capital plan. Under this plan, \$25,570 of common stock and \$18,145 of allocated margins originally issued in 1942-43 were retired in cash in the 1950-51 fiscal year. A total of \$57,450 of common stock and \$43,895 of allocated margins issued in 1943-44 and 1944-45 were retired in 1951-52.

A condensed financial statement of MFC as of May 31, 1951 and 1952 follows:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$1,882,347	\$1,319,233
Fixed assets (net)-----	720,963	712,058
Investments and other assets-----	308,791	333,586
Contra account (loans on cotton)-----	20,249	405,137
Total-----	\$2,932,350	\$2,770,014
Liabilities and net worth:		
Current liabilities-----	\$1,092,828	\$415,390
Other liabilities-----	197,500	177,500
Contra account (loans on cotton)-----	20,249	405,137
Net worth or members' equities-----	1,621,773	1,771,987
Total-----	\$2,932,350	\$2,770,014

All the net worth, with the exception of \$133,500 in preferred stock, invested by local cooperatives has been accumulated from net margins retained in the business.

On May 31, 1952, the principal operating facilities of the association were:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Fertilizer plants-----	3	\$531,320	\$378,675
Seed plant and warehouse-----	1	148,766	131,226
Branch wholesale warehouse-----	1	29,497	27,953
Office building and equipment-----	1	185,176	149,839
Truck and automobile-----		29,304	13,963
Miscellaneous-----		24,191	10,402
Total-----		\$948,254	\$712,058

In addition to these facilities, MFC had \$296,321 invested in other cooperatives which operated various manufacturing and wholesaling facilities. The principal associations were Mississippi Chemical Corporation, Yazoo, Miss.; Associated Cooperatives, Inc., Sheffield, Ala.; United Cooperatives, Inc., Alliance, Ohio; and Magee Cooperative Gin (AAL) Magee, Miss.

On May 31, 1952, the association had 251 employees. Of these 40 were engaged primarily in general and administrative activities; 176 in manufacturing or processing operations; 27 in wholesaling and warehousing operations; and 8 in marketing operations.

MINNESOTA FARM BUREAU SERVICE COMPANY

The Minnesota Farm Bureau Service Company with headquarters in St. Paul, Minn., was organized in 1928 to provide a wholesale farm supply service for farm bureau cooperatives in Minnesota. At the end of its fiscal year, September 30, 1952, it was serving 87 countywide member cooperatives. Each owns one \$10 share of common stock and has one vote in the affairs of the association. These cooperatives had approximately 25,000 patrons of whom 99 percent were farmers. About 95 percent of the business of the association is in Minnesota and the remainder is in Wisconsin and North Dakota.

Nineteen of the county member companies are "operating" organizations with managers and warehouses. The other 68 are "nonoperating companies" which are set up to handle activities of the State organization other than the distribution of products. In these counties merchandise is distributed through about 1,000 private agent buyers who report to the nonoperating companies their sales of farm bureau merchandise to individuals.

When the State association has patronage refunds on its wholesale business, these refunds are paid to the nonoperating companies on a countywide basis who in turn distribute them to the individual patrons. When there is sufficient demand among the farmers in these counties for an active warehouse company, the necessary capital for facilities and inventories will be raised, a manager employed, and they will thus become "operating" associations.

The by-laws of the Minnesota Farm Bureau Service Co. provide that at least a majority of its directors must be members of the Executive Committee of the Minnesota Farm Bureau Federation.

Supplies distributed at wholesale during the fiscal years ended November 30, 1951, and September 30, 1952, were as follows:

<u>Commodities</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$1,522,108	\$1,224,513
Fertilizer-----	3,040,701	3,701,528
Petroleum products-----	792,163	695,932
Heavy hardware-----	293,253	201,541
Insecticides-----	208,282	236,909
Miscellaneous farm equipment-----	159,126	118,836
Tires and tubes-----	88,005	50,111
Paints and oil drums-----	38,073	30,521
Total-----	\$6,141,711	\$6,259,891

The cooperative distributed net margins for the last two years as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash dividends on stock-----	\$50,821	\$52,296
Patronage refunds in stock-----	300,823	333,000
Retained as allocated permanent surplus-----	39,067	42,810
Retained as general reserve-----	-	2
Total-----	\$390,711	\$428,108

Different rates of patronage refunds were declared on three major groups of supplies. The association does not operate on a revolving capital basis.

The financial condition of the Minnesota Farm Bureau Service Company on November 30, 1951 and September 30, 1952 was as follows:

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$1,929,047	\$1,738,909
Fixed assets (net)-----	211,463	847,789
Other assets-----	897,525	212,647
Total-----	\$3,038,035	\$2,799,345
Liabilities and net worth:		
Current liabilities-----	\$1,000,889	\$369,445
Other liabilities-----	584,773	612,536
Net worth (capital and reserves)-----	1,452,373	1,817,364
Total-----	\$3,038,035	\$2,799,345

On September 30, 1952, the principal facilities owned by the company were as follows:

<u>Facilities</u>	<u>Number of plants or units</u>	<u>Cost value</u>	<u>Depre- ciated value</u>
Fertilizer plants-----	2	\$981,610	\$729,663
Feed mill-----	1	95,444	55,940
Officer and laboratory equipment, trailer, and leasehold improvements-----	-	62,234	40,412
Total-----		\$1,139,288	\$826,015

In addition, Minnesota Farm Bureau Service Company had \$107,444 invested in three federations of regional cooperatives to aid it in obtaining supplies.

On September 30, 1952, the company had 100 employees. Of these 37 were engaged in general and administrative activities; 15 in wholesale distribution; and 48 in manufacturing operations.

M.F.A. COOPERATIVE GRAIN AND FEED COMPANY

The M.F.A. Cooperative Grain and Feed Company with headquarters at St. Joseph, Mo., was organized in 1942 by transferring all the assets and liabilities of an old corporation to this new association. The business now transacted by the M.F.A. Cooperative Grain and Feed Company was first started as the Purchasing Division of the Missouri Farmers Association, Inc., in 1927 and operated as such until 1938. In 1938, the M.F.A. Purchasing Company was organized as a capital stock cooperative and later that year, the name was changed to the M.F.A. Grain and Feed Company. The assets and liabilities of this latter company were then transferred to the M.F.A. Cooperative Grain and Feed Company in 1942. In 1943, this company bought a mill and elevator at Mexico, Mo., which was destroyed by fire the following year. In 1944 it bought a milling company at St. Joseph. Its facilities for manufacturing mixed feeds have been enlarged. It built a soybean plant and a 350,000-bushel elevator at Mexico, Mo., in 1946. The cooperative enlarged the elevator in 1951 to make total storage of 650,000 bushels.

The M.F.A. Cooperative Grain and Feed Company serves 127 farmers' exchanges in North Missouri and 2 in Kansas having a membership of 70,000. These local M.F.A. cooperatives are owned by the M.F.A. members which they serve. Half of the board of directors of the M.F.A. Cooperative Grain and Feed Company is named by representatives of these local cooperatives which constitutes the class B membership and the other members are named by the State Board of the Missouri Farmers Association which constitutes class A membership. The M.F.A. Cooperative Grain and Feed Company is financed by patrons' equities and certificates of indebtedness.

Total supply business of the M.F.A. Cooperative Grain and Feed Company, after eliminating intercompany transactions, amounted to \$4,738,641 in 1951 and \$5,228,565 in 1952. Supplies consisted almost entirely of feeds and grains. The cooperative distributed feeds including a small amount of flour and millfeed, amounting to \$4,172,925 in the year ending August 31, 1951 and \$4,523,643 in 1952. In addition, the soybean processing plant at Mexico sold patrons \$565,716 of soybean meal in 1951 and \$704,922 in 1952.

The M.F.A. Cooperative Grain and Feed Company handled \$3,087,948 of grain and soybeans at Mexico in the year ending August 31, 1951, and \$3,738,897 in 1952. Of this volume, \$2,332,635 of soybeans were transferred to the processing plant in 1951 and \$2,260,870 in 1952.

The balances were grains and soybeans sold to outside markets or transferred to St. Joseph and Kansas City. The soybean processing plant at Mexico provides both marketing and purchasing services.

Besides these two operations, the M.F.A. Cooperative Grain and Feed Company operates a branch grain commission firm in Kansas City on the Kansas City Board of Trade. This office marketed 1,605 carloads of grain for members in the year ending August 31, 1951, and 1,948 cars in the year ending 1952. In addition, it purchased 2,100 cars of grains and feedstuffs for members in 1951 and 1,781 carloads in 1952.

It distributed net margins for the years ending August 31, 1951 and 1952 as follows:

<u>Distribution of net margins</u>	<u>1951</u>	<u>1952</u>
Cash patronage refunds-----	\$100,858	\$39,570
Old patrons equities retired-----	46,506	64,213
Education fund-----	10,000	-
Net addition to patrons equities-----	<u>250,105</u>	<u>160,015</u>
Total-----	\$407,469	\$263,798

The following condensed statement shows the financial condition of the M.F.A. Cooperative Grain and Feed Company on August 31, 1951 and 1952.

	<u>1951</u>	<u>1952</u>
Assets:		
Current assets-----	\$1,179,239	\$1,084,397
Investments-----	36,060	39,749
Fixed assets (net)-----	1,189,034	1,283,863
Other assets-----	<u>23,445</u>	<u>41,648</u>
Total-----	\$2,427,778	\$2,449,657
Liabilities and net worth:		
Current liabilities-----	\$333,959	\$336,647
Deferred liabilities (includes certificates of indebtedness)-----	788,569	695,412
Net worth (patrons equities, savings and reserves)-----	<u>1,305,250</u>	<u>1,417,598</u>
Total-----	\$2,427,778	\$2,449,657

On August 31, 1952, the M.F.A. Cooperative Grain and Feed Company owned the following facilities:

<u>Facilities</u>	<u>Cost value</u>	<u>Depreciated value</u>
Soybean mill and storage elevator-----	\$868,415	\$677,780
Feed mill and storage elevator-----	672,051	532,242
Automotive equipment-----	46,925	18,677
Office equipment-----	43,693	27,885
Laboratory equipment-----	22,297	13,927
Automotive service station-----	13,402	13,352
Total-----	\$1,666,783	\$1,283,863

The M.F.A. Cooperative Grain and Feed Company in August 1952 had 175 employees of which 128 were at St. Joseph, 44 at Mexico, and 3 at Kansas City. Of these, 27 were engaged in general administrative activities; 142 in manufacturing, warehousing, and processing operations; and 6 in field service work.

PART II

SUMMARY OF INFORMATION FOR 25 MAJOR REGIONAL FARM SUPPLY PURCHASING COOPERATIVES FOR FISCAL YEARS ENDING IN 1951 AND 1952

This section summarizes information for individual cooperatives. The age of associations, area of service, type of retail outlets, number of patrons served, number of employees, dollar volume of business, type of supplies handled, distribution of net margins, and financial condition are given.

YEARS OF ORGANIZATION

The 25 regional cooperatives described in this report were organized in the following years:

<u>Year</u>	<u>Associations organized</u> <i>Number</i>
1907-----	1
1914-----	1
1917-----	2
1918-----	1
1920-----	1
1922-----	1
1923-----	2
1926-----	1
1927-----	2
1928-----	1
1929-----	2
1930-----	1
1931-----	2
1933-----	2
1934-----	2
1942-----	1
1945-----	2

Only 6 of these associations were in existence by 1920. By 1930 there were 16. Six were organized in the 1930's, and 3 in the 1940's. In 1952, their average age was about 25 years.

AREA OF SERVICE

The 25 cooperatives operate throughout most of the United States. There also are a number of other regional purchasing cooperatives operating in the areas served by the large regional purchasing cooperatives included in this report many of whose operations are reported in FCA Miscellaneous Report 171.

TYPE OF RETAIL OUTLET

The 25 major regional farm supply purchasing cooperatives distributed supplies through 9,954 retail outlets in 1951, and 9,930 in 1952. They are classified as follows:

<u>Type of retail outlet</u>	<u>1951</u>	<u>1952</u>
Local cooperative member associations-----	4,763	4,885
Local cooperative nonmember associations-----	1,469	1,245
Affiliated cooperative service associations-----	789	800
Private service agencies-----	2,461	2,534
Farmer-representatives-----	472	466
Total-----	9,954	9,930

The local associations included in this classification are autonomous organizations. The "member associations" hold membership interests in the regional associations while the "nonmember associations" are served by the regional cooperatives. "Affiliated cooperative service associations" are associations, or branch outlets, that are under direct management of the regionals. "Private service agencies" are private concerns that perform a distributing service for the regional cooperatives in accordance with mutually agreeable policies. These plans include provisions for passing on to the farmers the patronage refunds distributed by the regionals. Similarly, the "farmer-representatives" are farmers who serve as distribution agents for the regionals. The association reports in Part I give more detailed information on the character of local service outlets.

NUMBER OF PATRONS SERVED

During the fiscal year 1952, the 25 regional cooperatives served an estimated 3,172,268 farmer-patrons and 245,522 nonfarmer patrons, or a total of 3,417,790.⁴⁰ Thus 93 percent of the patrons were farmers, and 7 percent were nonfarmers.

⁴⁰On the basis of other studies made by the Cooperative Research and Service Division, it is believed that this total is considerably higher than the number of actual persons, since many farmers are served by two or more regionals.

NUMBER OF EMPLOYEES

The 25 regionals, at the close of the 1952 fiscal year, had 20,708 employees. Of these, an estimated 21 percent were engaged in general administration; 54 percent in manufacturing, processing, and wholesale distribution; and 25 percent in retail supply distribution and in agricultural marketing work.

DOLLAR VOLUME OF BUSINESS

The combined business of the 25 regional cooperatives, including the value of supplies distributed at wholesale, and at retail, plus the value of farm products marketed, amounted to \$1,288 million for the fiscal year 1952 (table 1). The comparable dollar volume for 1951 was \$1,158 million.

Twenty associations each handled a volume of \$10 million or more, and of these 11 each handled \$30 million or more. The combined business of the 11 largest cooperatives totaled \$1,088 million.

TYPES OF SUPPLIES HANDLED

The relative importance of the various supplies handled at wholesale⁴¹ by each of the 25 regional cooperatives during the fiscal year ending in 1952 is shown in tables 2 and 3. Feed predominated in the dollar volume of 12 associations, petroleum products in 8 associations, and fertilizer in 3 associations. Feed accounted for \$419 million of the volume of the 25 associations, petroleum products \$220 million, and fertilizer \$92 million.

In terms of dollar volume, groceries were the most important commodity distributed by the Central Cooperative Wholesale. Packaging material represented the bulk of the dollar volume of the Fruit Growers Supply Company.

Data in table 4 show the relative importance of the combined value of the various groups of supplies distributed at wholesale by the 25 cooperatives during the fiscal years ending in 1951 and 1952. The total dollar volume distributed at wholesale in 1952 showed an increase of 8.1 percent over that in 1951. Feed, petroleum products, and fertilizer made up 81 percent of this volume in 1952 and 79 percent in 1951.

The value of feed distributed showed an increase of 14 percent over last year. Petroleum products increased 5 percent in dollar volume, and fertilizer increased 17 percent. Seven of the 14 commodity groups showed decreases. The percentage increases for all groups, or items, are shown in table 4.

⁴¹Eastern States Farmers' Exchange, Inc., Washington Co-operative Farmers Association, and Poultrymen's Cooperative Association of Southern California distribute supplies direct to individual patrons and perform both wholesale and retail functions.

Table 1. - Dollar volume of farm supplies distributed and farm products marketed by 25 major regional farm supply purchasing cooperatives, fiscal years ending in 1951 and 1952

Association	Year ending	Supplies distributed at wholesale		Supplies distributed at retail		Farm products marketed		Total	
		1951	1952	1951	1952	1951	1952	1951	1952
Cooperative Grange League Federation Exchange, Inc.	June 30	\$143,708,825	\$161,795,730	\$117,883,382	\$149,084,650	\$19,014,156	\$22,475,327	\$280,606,363	\$333,355,707
Ithaca, N. Y.									
Southern States Cooperative, Inc.	June 30	83,805,857	90,478,038	38,052,082	43,703,515	6,328,705	7,750,840	128,186,644	141,932,393
Richmond, Va.									
Indiana Farm Bureau Cooperative Association, Inc.	Dec. 31	49,479,607	49,317,818	-	-	72,152,064	85,899,414	121,631,671	135,217,232
Indianapolis, Ind.									
Eastern States Farmers' Exchange, Inc.	Dec. 31	94,997,364	98,077,412	-	-	-	-	94,997,364	98,077,412
West Springfield, Mass.									
Consumers Cooperative Association,	Aug. 31	274,886,155	82,441,614	-	-	-	-	274,886,155	82,441,614
Kansas City, Mo.									
The Farm Bureau Cooperative Association, Inc.	Dec. 31	39,557,702	42,733,527	-	-	19,830,272	22,747,713	59,387,974	65,481,240
Columbus, Ohio									
Illinois Farm Supply Company,	Aug. 31	53,215,990	56,766,483	-	-	-	-	53,215,990	56,766,483
Chicago, Ill.									
Washington Co-operative Farmers Association,	Dec. 31	27,476,572	32,184,932	-	-	19,177,516	18,472,114	46,654,088	50,657,046
Seattle, Wash. ¹									
Farmers Union Central Exchange, Inc.	Dec. 31	43,921,349	45,708,050	-	-	-	-	43,921,349	45,708,050
St. Paul, Minn.									
Farmers Cooperative Exchange, Inc.	June 30	20,131,090	26,769,629	13,508,546	15,090,131	2,818,247	3,579,366	36,457,883	45,439,126
Raleigh, N. C.									
M.F.A. Milling Company,	June 30	26,781,336	33,131,161	-	-	-	-	26,781,336	33,131,161
Springfield, Mo.									
Midland Cooperative Wholesale,	Dec. 31	30,308,512	28,954,169	-	-	-	-	30,308,512	28,954,169
Minneapolis, Minn.									
Pacific Supply Cooperative,	June 30	19,701,907	19,345,903	-	-	5,366,259	5,202,879	25,068,166	24,548,782
Walla Walla, Wash.									
Pennsylvania Farm Bureau Cooperative Association,	Dec. 31	21,936,091	23,215,831	-	-	-	-	21,936,091	23,215,831
Harrisburg, Pa.									
Farm Bureau Services, Inc.	Aug. 31	11,156,849	12,516,820	6,279,679	3,925,932	1,968,821	2,190,802	19,405,349	18,633,554
Lansing, Mich.									
Fruit Growers Supply Company,	Dec. 31	19,698,931	18,492,365	-	-	-	-	19,698,931	18,492,365
Los Angeles, Calif.									
Poultrymen's Cooperative Association of Southern California,	Mar. 31	11,101,014	14,524,894	-	-	1,824,910	2,156,376	12,925,924	16,681,270
Los Angeles, Calif.									
Mississippi Federated Cooperatives (AM),	May 31	6,186,155	6,928,443	-	-	1,256,710	5,904,727	7,442,865	12,833,170
Jackson, Miss.									
Central Cooperative Wholesale,	Nov. 30 ³	10,483,431	11,193,910	-	-	-	-	10,483,431	11,193,910
Superior, Wis.									
Arkansas Farmers Association,	May 31 ⁴	9,444,871	10,288,935	-	-	-	-	9,444,871	10,288,935
Little Rock, Ark.									
Consumers Cooperatives Associated,	Oct. 31	9,004,106	8,130,360	-	-	39,584	-	9,043,690	8,130,360
Amarillo, Tex.									
Tennessee Farmers Cooperative,	Dec. 31	7,410,251	7,904,992	-	-	-	-	7,410,251	7,904,992
Nashville, Tenn.									
Farmers Union State Exchange,	Sept. 30	5,829,082	6,044,835	21,394,687	1,390,999	-	-	27,223,769	7,435,834
Omaha, Neb.									
Minnesota Farm Bureau Service Company,	Nov. 30	6,141,711	6,259,891	-	-	-	-	6,141,711	6,259,891
St. Paul, Minn.									
M.F.A. Cooperative Grain and Feed Company,	Aug. 31	4,738,641	5,228,565	-	-	(5)	(5)	4,738,641	5,228,565
St. Joseph, Mo.									
Total		\$831,103,399	\$898,434,307	\$177,118,376	\$213,195,227	\$149,777,244	\$176,379,558	\$1,157,999,019	\$1,288,009,092

¹Eastern States Farmers' Exchange, Inc., Washington Co-operative Farmers Association, and Poultrymen's Cooperative Association of Southern California distribute supplies direct to patrons - performing both wholesale and retail functions.

²Revised.

³Year ending changed from December 31 to November 30.

⁴Year ending changed from December 31 to November 30.

In addition to 1,000 carloads of grain in 1951 and 1,948 in 1952 sold on commission through its marketing facility in Kansas City, unspecified amounts of grain were marketed through the mill at Mexico, Mo. during these years.

Table 2. - Dollar volume of farm supplies distributed at wholesale by 25 major regional farm supply purchasing cooperatives, fiscal year ending 1952

Association	Feed	Petroleum products	Fertilizer	Seed	Farm machinery and equipment	Lumber, paint, hardware, maintenance material	Crates, baskets, shooks, packing material	Tires, tubes, auto accessories	Insecticides and sprays	Steel products	Electrical equipment and appliances	Groceries	Twine	Coal	Miscellaneous	Total
1,000 dollars																
Cooperative Grange League	111,876	12,358	14,673	6,077	1,997	2,629	786	1,526	2,541	2,826	1,778	-	2,105	-	776	1,161,948
Federation Exchange, Inc.	-	-	6,649	4,456	-	3,584	-	-	1,452	-	-	-	-	-	-	98,077
Eastern States Farmers' Exchange, Inc. ²	81,936	-	-	-	-	3,487	-	897	1,332	(3)	1,363	-	-	-	47	90,478
Southern States Cooperative, Inc.	57,464	6,519	9,864	6,774	1,347	3,871	-	2,207	547	-	568	51,930	(4)	-	300	82,442
Consumers Cooperative Association	8,987	57,130	3,867	-	3,235	3,671	-	753	371	736	-	-	388	-	364	56,766
Illinois Farm Supply Company	13,905	30,531	8,677	-	526	515	-	-	-	-	-	-	-	-	-	-
Indiana Farm Bureau Cooperative Association, Inc.	10,084	18,498	7,999	1,596	2,798	2,511	-	264	523	2,260	866	-	194	631	1,094	49,318
Farmers Union Central Exchange, Inc.	2,777	29,087	1,406	569	4,258	2,103	-	3,015	370	-	457	-	554	-	1,112	45,708
The Farm Bureau Cooperative Association Inc., (Ohio)	15,155	13,315	5,986	2,312	2,775	906	-	188	321	1,000	241	-	-	82	639	642,920
M.F.A. Milling Company	31,705	-	-	1,426	-	-	-	-	-	-	-	-	-	-	-	33,131
Washington Co-operative Farmers Association ³	23,164	5,780	847	495	-	-	-	-	-	-	-	-	-	-	1,899	32,185
Midland Cooperative Wholesale	3,159	17,567	1,580	1,073	1,565	816	-	1,405	54	413	780	173	-	230	139	28,954
Farmers Cooperative Exchange, Inc.	11,551	-	4,599	3,689	1,392	1,191	-	91	664	-	1,028	-	-	-	2,565	26,770
Pennsylvania Farm Bureau Cooperative Association	9,971	6,148	2,031	1,211	1,623	184	-	179	376	633	264	-	259	-	337	23,216
Pacific Supply Cooperative	1,460	11,399	2,095	167	1,802	1,051	-	630	544	-	175	-	-	-	23	19,346
Fruit Growers Supply Company	-	-	1,832	-	-	-	15,638	-	564	-	-	-	-	-	458	18,492
Poultrymen's Cooperative Association of Southern California ²	14,022	-	-	-	-	-	-	-	-	-	-	-	-	-	503	14,525
Farm Bureau Services, Inc.	4,461	-	3,725	1,312	7,187	139	-	-	335	1,192	(7)	-	(7)	166	-	12,517
Central Cooperative Wholesale	2,405	1,757	180	145	231	644	-	283	45	141	347	4,264	92	68	592	11,194
Arkansas Farmers Association	5,939	-	2,325	819	-	-	-	-	-	-	-	-	-	-	1,206	10,289
Consumers Cooperatives Association	8,459	5,612	91,152	(8)	204	235	-	337	(9)	-	127	-	-	-	4	8,130
Tennessee Farmers Cooperative	2,181	205	3,748	1,336	-	363	-	-	-	-	-	-	-	-	72	7,905
Mississippi Federated Cooperatives (AM)	18	-	4,859	1,345	-	-	-	-	390	-	-	-	-	-	316	6,928
Minnesota Farm Bureau Service Company	1,224	696	3,702	-	119	232	-	50	237	-	-	-	-	-	-	6,260
Farmers Union State Exchange	143	3,834	-	77	1,064	124	-	200	-	-	-	360	89	112	42	6,045
M.F.A. Cooperative Grain and Feed Company	5,229	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,229
Total	419,275	220,436	91,796	34,879	26,123	25,769	16,424	12,025	10,666	9,201	7,994	6,727	3,681	1,289	12,488	898,773

¹Includes \$152 thousand interdivision business.²Eastern States Farmers' Exchange, Inc., Washington Co-operative Farmers Association, and Poultrymen's Cooperative Association of Southern California distribute supplies direct to patrons - performing both wholesale and retail functions.³Steel products included in lumber, paint, etc.⁴Includes drugs and sundries.⁵Including \$187 thousand interdivision business.⁶Electrical equipment and twine included in farm machinery.⁷Seed included in feed.⁸Insecticides included in fertilizer.

Table 3. - Percentage of total dollar volume distributed at wholesale represented by specified groups of items, 25 major regional farm supply purchasing cooperatives, fiscal year ending 1952

Association	Feed	Petroleum products	Fertilizer	Seed	Farm machinery and equipment	Lumber, paint, hardware, maintenance material	Crates, boxes, shipping, packaging material	Tires, tubes, auto accessories	Insecticides and sprays	Steel products	Electrical equipment and appliances	Groceries	Twine	Coal	Miscellaneous	Total
Percent																
Cooperative Grange League																
Federation Exchange, Inc.	69.1	7.6	9.1	3.7	1.2	1.6	.5	1.0	1.6	1.7	1.1	-	1.3	-	.5	2 100.0
Eastern States Farmers' Exchange, Inc. ¹	83.5	-	6.8	4.5	-	3.7	-	-	1.5	-	-	-	-	-	-	100.0
Southern States Cooperative, Inc.	63.5	7.2	10.9	7.5	1.5	35.4	-	1.0	1.4	(3)	1.5	-	-	-	.1	100.0
Consumers Cooperative Association	10.9	69.3	4.7	-	3.9	4.4	-	2.7	4.4	-	.7	2.3	(4)	-	.4	100.0
Illinois Farm Supply Company	24.5	53.8	15.3	-	.9	.9	-	1.3	.7	1.3	-	-	.7	-	.6	100.0
Indiana Farm Bureau Cooperative Association, Inc.	20.4	37.5	16.2	3.2	5.7	5.1	-	.5	1.1	4.6	1.8	-	.4	1.3	2.2	100.0
Farmers Union Central Exchange, Inc.	6.1	63.6	3.1	1.3	9.3	4.6	-	6.6	.8	-	1.0	-	1.2	-	2.4	100.0
The Farm Bureau Cooperative Association, Inc., (Ohio)	35.3	31.0	14.0	5.4	6.5	2.1	-	.4	.7	2.3	.6	-	-	.2	1.5	6 100.0
M.F.A. Milling Company	95.7	-	-	4.3	-	-	-	-	-	-	-	-	-	-	-	100.0
Washington Co-operative Farmers Association ¹	72.0	18.0	2.6	1.5	-	-	-	-	-	-	-	-	-	-	-	100.0
Midland Cooperative Wholesale	10.9	60.7	5.4	3.7	5.4	2.8	-	4.9	.2	1.4	2.7	.6	-	.8	.5	100.0
Farmers Cooperative Exchange, Inc.	43.1	-	17.2	13.8	5.2	4.5	-	.3	2.5	-	3.8	-	-	-	9.6	100.0
Pennsylvania Farm Bureau Cooperative Association	42.9	26.5	8.8	5.2	7.0	.8	-	.8	1.6	2.7	1.1	-	1.1	-	1.5	100.0
Pacific Supply Cooperative	7.6	58.9	10.8	.9	9.3	5.4	-	3.3	2.8	-	.9	-	-	-	.1	100.0
Fruit Growers Supply Company	-	-	9.9	-	-	-	84.6	-	3.0	-	-	-	-	-	2.5	100.0
Poultrymen's Cooperative Association of Southern California ¹	96.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0
Farm Bureau Services, Inc.	35.6	-	29.8	10.5	79.5	1.1	-	-	2.7	9.5	(7)	-	(7)	1.3	-	100.0
Central Cooperative Wholesale	21.5	15.7	1.6	1.3	2.1	5.7	-	2.5	.4	1.3	3.1	36.1	.8	.6	5.3	100.0
Arkansas Farmers Association	57.7	-	22.6	8.0	-	-	-	-	-	-	-	-	-	-	11.7	100.0
Consumers Cooperatives Associated	5.6	69.0	14.2	(8)	2.5	2.9	-	4.1	(9)	-	1.6	-	-	-	.1	100.0
Tennessee Farmers Cooperative	27.6	2.6	47.4	16.9	-	4.6	-	-	-	-	-	-	-	-	.9	100.0
Mississippi Federated Cooperatives (AM)	.3	-	70.1	19.4	-	-	-	-	5.6	-	-	-	-	-	4.6	100.0
Minnesota Farm Bureau Service Company	19.6	11.1	59.1	-	1.9	3.7	-	.8	3.8	-	-	-	-	-	-	100.0
Farmers Union State Exchange	2.4	63.4	-	1.3	17.6	2.0	-	3.3	-	-	-	5.9	1.5	1.9	.7	100.0
M.F.A. Cooperative Grain and Feed Company	100.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	100.0
Total	46.7	24.5	10.2	3.9	2.9	2.9	1.8	1.3	1.2	1.0	.9	.8	.4	.1	1.4	100.0

¹Eastern States Farmers' Exchange, Inc., Washington Co-operative Farmers Association and Poultrymen's Cooperative Association of Southern California distribute supplies direct to patrons - performing both wholesale and retail functions.

²Includes 0.1 percent interdivision transactions.

³Steel products included in lumber, paint, etc.

⁴Wine included in farm machinery.

⁵Includes 0.4 percent interdivision transactions.

⁶Electrical equipment and twine included in farm machinery.

⁷Seed included in feed.

⁸Insecticides included in fertilizer.

Table 4. - *Supplies distributed at wholesale by 25 major regional farm supply purchasing cooperatives for fiscal years ending in 1951 and 1952*

Commodity	1951		1952		Increase or decrease
	Volume	Percent- age of total	Volume	Percent- age of total	
	<i>1,000 dollars</i>	<i>Percent</i>	<i>1,000 dollars</i>	<i>Percent</i>	<i>Percent</i>
Feed-----	369,286	44.4	419,275	46.7	+13.5
Petroleum products-----	210,437	25.3	220,436	24.5	+4.8
Fertilizer-----	78,340	9.4	91,796	10.2	+17.2
Seed-----	31,561	3.8	34,879	3.9	+10.5
Farm machinery and farm equipment-----	27,980	3.4	26,123	2.9	-6.6
Lumber, paint, hardware, and maintenance material-----	25,026	3.0	25,769	2.9	+3.0
Crates, baskets, shook, and packaging material-----	17,781	2.1	16,424	1.8	-7.6
Tires, tubes and auto accessories-----	14,251	1.7	12,025	1.3	-15.6
Insecticides and sprays-----	11,168	1.3	10,666	1.2	-4.5
Steel products-----	14,516	1.8	9,201	1.0	-36.6
Electrical equipment and appliances-----	8,910	1.1	7,994	.9	-10.3
Groceries-----	6,168	.8	6,727	.8	+9.1
Twine-----	2,862	.4	3,681	.4	+28.6
Coal-----	1,719	.2	1,289	.1	-25.0
Miscellaneous-----	11,269	1.3	12,488	1.4	+10.8
Total-----	¹ 831,274	100.0	² 898,773	100.0	+8.1

¹Includes \$171 thousand interdivision transactions not reported by commodity.

²Includes \$339 thousand interdivision transactions not reported by commodity.

DISTRIBUTION OF NET MARGINS

The total net margins of the 25 associations amounted to \$48,494,124 in 1951 and \$36,121,880 in 1952, a decrease of almost 26 percent. Cash patronage refunds were 14 percent less than in 1951 and patronage refunds in the form of capital stock, certificates of equity, and other equity holdings, were 36 percent less. Cash dividends on stock increased 5 percent. The amount retained in reserves was 29 percent less than in 1951.

In addition to the net margins, the associations reported the payment of \$3,127,332 for Federal income taxes in 1951, and \$2,440,815 in 1952.

Table 5. - *Distribution of net margins of 25 major regional farm supply purchasing cooperatives for fiscal years ending in 1951 and 1952*¹

Distribution of net margins	1951	1952	Percentage increase or decrease
Cash patronage refunds-----	\$11,122,806	\$9,526,780	-14.3
Deferred patronage refunds ² -----	19,179,953	12,250,516	-36.1
Cash dividends on stock-----	4,257,496	4,467,903	+4.9
Amount retained in reserves-----	13,933,869	9,876,681	-29.1
Total-----	\$48,494,124	\$36,121,880	-25.5

¹After reported income taxes.

²Evidenced by capital stock, certificates of equity, and other equity holdings.

In addition to the distribution of current patronage refunds and dividends on stock, the associations reported the retirement of stock certificates originally issued as deferred patronage refunds, in the amount of \$3,462,216 in 1951 and \$3,428,101 in 1952.

FINANCIAL CONDITION

The financial condition of the 25 purchasing cooperatives at the close of their fiscal years ending in 1951 and 1952 is summarized in table 6.

Table 6. - *Consolidated financial statement of 25 major regional farm supply purchasing cooperatives at the close of their fiscal years ending in 1951 and 1952*

Item	1951		1952	
	Amount	Percentage of total	Amount	Percentage of total
Assets:				
Current assets-----	\$218,654,262	51.8	\$224,696,485	50.3
Fixed assets (net)-----	134,693,697	31.9	151,169,123	33.9
Other assets-----	68,673,583	16.3	70,552,442	15.8
Total-----	\$422,021,542	100.0	\$446,418,050	100.0
Liabilities and members' equity:				
Current liabilities-----	\$95,021,077	22.5	\$91,212,980	20.4
Other liabilities-----	65,824,720	15.6	68,656,508	15.4
Members' equity (capital and reserves)-----	261,175,745	61.9	286,548,562	64.2
Total-----	\$422,021,542	100.0	\$446,418,050	100.0

APPENDIX

VALUE OF FARM SUPPLIES DISTRIBUTED BY FOUR MAJOR REGIONAL
MARKETING COOPERATIVES FOR FISCAL YEARS ENDING IN
1951 AND 1952

The 4 regional marketing cooperatives included in this handbook⁴² which distributed more than \$5 million of farm supplies are Poultry Producers of Central California, Land O'Lakes Creameries, Inc., The Cotton Producers Association, and Utah Poultry and Farmers Cooperative. The Cotton Producers Association and Land O'Lakes Creameries, Inc., are of the federated type and distribute farm supplies at wholesale to local member associations. The other two associations are centralized organizations that distribute direct to farmers through local branches.

POULTRY PRODUCERS OF CENTRAL CALIFORNIA

The Poultry Producers of Central California, with headquarters in San Francisco, Calif., distributed feed, petroleum products, and other farm supplies during the years ending December 31, 1951 and 1952 as follows:

<u>Commodity</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$29,437,878	\$31,404,821
Gasoline and other petroleum products-----	1,775,674	1,659,367
Other farm supplies-----	1,859,336	1,605,786
Total-----	\$33,072,888	\$34,669,974

Net margins on supply operations were \$3,353,716 in 1951 and \$1,900,232 in 1952.

LAND O'LAKES CREAMERIES, INC.

The value of feed, seed, and fertilizer distributed to its members by the Land O'Lakes Creameries, Inc. - headquarters in Minneapolis, Minn. - for the years ending December 31, 1951 and 1952, was as follows:

<u>Commodity</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$6,053,829	\$9,477,046
Fertilizer-----	1,600,197	1,894,946
Seed-----	947,269	895,114
Total-----	\$8,601,295	\$12,267,106

Net margins on these operations amounted to \$550,291 in 1951 and \$338,577 in 1952.

⁴²Since supply operations of Poultrymen's Cooperative Association of Southern California and M.F.A. Grain and Feed Company were more important than its marketing operations, the associations were included in Part I of this report.

THE COTTON PRODUCERS ASSOCIATION

The Cotton Producers Association, with headquarters in Atlanta, Ga., serves farmers in Georgia, practically all of Florida, and part of Alabama, through member associations and dealer representatives. Fertilizer, feed, seed and other farm supplies were distributed to its members during the fiscal years ending in 1951 and 1952 as follows:

<u>Commodity</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$3,508,437	\$5,698,653
Fertilizer-----	2,724,149	3,009,980
Seed-----	1,228,533	1,114,283
Other farm supplies-----	1,154,002	926,796
Total-----	\$8,615,121	\$10,749,712

Net margins on supply operations amounted to \$777,669 in 1951 and \$806,500 in 1952.

UTAH POULTRY AND FARMERS COOPERATIVE

The value of feed and other farm supplies distributed by the Utah Poultry and Farmers Cooperative, Salt Lake City, Utah, during the years ended December 31, 1951 and 1952, was as follows:

<u>Commodity</u>	<u>1951</u>	<u>1952</u>
Feed-----	\$6,887,508	\$7,185,857
Other farm supplies-----	1,606,100	1,506,156
Total-----	\$8,493,608	\$8,692,013

Net margins on supply operations were \$200,305 in 1951 and \$458,789 in 1952.

COMBINED DOLLAR VOLUME

The total dollar volume of farm supplies distributed by these four marketing associations amounted to \$58,782,912 in 1951 and \$66,378,805 in 1952 - an increase of 11 percent.

Feed was the principal supply item handled. In 1951, it represented 78 percent of the total dollar volume of all supplies distributed, and 81 percent in 1952. In 1951, the dollar volume was \$45,887,652 and in 1952, \$53,766,377 - an increase of about 12 percent.

The dollar volume of all other supplies distributed decreased from \$12,895,260 in 1951 to \$12,612,428 in 1952, or 2 percent.

